

Maclean's

Canada's Weekly Newsmagazine

August 2, 1999



THE KENNEDY-BESSETTE TRAGEDY

History, celebrity and the burial
of an American icon

Hello World

John Roth has
turned Nortel into an
Internet powerhouse—
and launched a debate
about Canadian
taxes



John Roth, CEO,
Nortel Networks

\$3.95



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Editor

When corporations call the shots

The success of Nord Networks in winning the international market for telephone and Internet equipment, this week's cover story, is proof positive that Canada can play in the Bigs. Other examples include Bombardier's regional jet and Magna International's cars. Sadly, there is also the other side of the story, as manifested by the world announcement by Canadian Pacific that it must drop 1,900 jobs to stay competitive—with, among others, Canadian National, which has successfully transformed itself into a continental railway. And if the CEOs of the big corporations have begun taking like government leaders, it is not exactly accidental these days, they run the show.

Take Nord! CEO John Roth's attack on high levels of federal income taxes. The campaign has put Prime Minister Jean Chrétien on the defensive. Last week, the PM asked people who prefer lower taxes to move elsewhere, pointing out that higher U.S. salaries match in lockstep with higher crime and less access to health care and education. But Chrétien knows he will have to cut taxes; he does not have the power to stop the deficit train.

Canada's powerful business lobby

Woke up to the era of globalization. Transnational corporations now call the shots, not governments. In 1995 when Moody's Investment Service threatened to downgrade Canada's triple-A credit rating unless Ottawa reduced the deficit, the result was massive budget cuts that lowered the quality of health care and boosted tuition fees.

Obviously what concerns Chrétien and Finance Minister Paul Martin is the erosion of political power of the national governments—and the adverse effects that global trends are having on many Canadians. Victims are dying on the job, but the trade pacts and duties of working men and women are taking on water. According to Statistics Canada, average net income per household in 1996 was \$37,000, down six per cent since 1989. The number of casual workers without major benefits is growing: 12 per cent of the labour force from five per cent between 1990 and 1995. The poor are getting poorer. Homelessness is rising. The poverty and disease among native Canadians is a national disgrace.

That poverty is part of a strong man-

age on the impact of globalization delivered in June from an unlikely source—the Canadian Senate, otherwise known as the home of party bagmen and barstumpers. But under chairman Lowell Murray, a punkish chairman on social activism issued an important warning to the country's decision-makers: "Do not sacrifice social goals for the sake of economic globalization." The committee opposes government intervention, "wrote that the *fixate* for an open economy like Canada." It offers a useful review of global trends and the history of integration. And it affirms that governments and citizens, working together, can restore a balance between globalization and a civil society where the complete report is available on the Senate of Canada Web site.

It is perhaps a naive thought that individuals can make a difference. But in a billion-dollar world that has been turned upside down by technology, it is a timely message of hope.

Robert Lewis

Newsroom Notes

Coming together

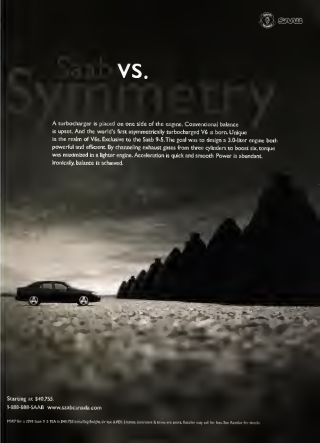
When Senior Business Correspondent Ross Laver approached this week's cover story on the prosperous Nord Networks Corp. and its CEO John Roth, he found the Canadian phone equipment maker in the midst of reinventing itself as a Web business (page 12). "Roth simply decided that Nord had to be a leader rather than a



Laver (left), Phillips on the scene

follower," says Laver. In new ad campaign, however, reaches back 50 years to the Beatles song, *Come Together*. "The response so far has been fantastic,"

Laver says. "Paul McCartney called the ad agency and asked for a copy." Meanwhile, Washington Business Chief Andrew Phillips was in Hyannis, Mass., covering the search for the bodies of John F. Kennedy Jr., his wife and sister-in-law (page 26). "It was hard to tell where genuine emotion ended and media hype began," Phillips reports, adding: "Visitors were quick to offer sympathy for the family, but tens of thousands more enjoyed the perfect weather and the lovely beaches with no apparent crimp in their vacation plans."



A turbodiesel is placed on one side of the engine. Conventional balance is upset. And the world's first asymmetrically turbocharged V6 is born. Unique to the realm of V6s. Exclusive to the Saab 9-5. The goal was to design a 2.0-liter engine both powerful and efficient. By channeling exhaust gases from three cylinders to boost six, torque was maximized in a lighter engine. Acceleration is quick and smooth. Power is abundant. Ironically, balance is skewed.

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The Mail



Can the recognition she deserves

Success story

Although I was surprised to see an article on hip-hop in your magazine ("Hip-hop rules," Cover, July 19), I must commend you for its inclusion and content, and for the accompanying story "Deborah: Can, queen of R&B." In a time when Shania, Celine, Alanis and Sarah dominate the headlines as Canadian success stories, it is nice to see Deborah getting the recognition she deserves, not only as an international success, but as a Canadian.

Kevin Lyttle, Halifax

My husband, Jerry, and I enjoyed your cover story very much, but we would like to point out that Deborah was not the first Canadian to win the Soul Train

Award, although she may have been the first in the R and B category. Our daughter, Dana Krall, won it for best jazz album in 1996. We congratulate both artists who have brought honour to Canada through their music.

Adelle Krall, Toronto, B.C.

Chelation testimony

Although chelation therapy may be "scientifically" unproven and therefore not approved by medical associations, we have witnessed many proofs for this alternative treatment for heart disease ("An alternative to bypass surgery," Health, July 12). My wife, Evelyn, ended up in hospital in late November, 1999, as a result of a heart attack. She had double-bypass surgery and supposedly the problem was solved. However, she did not recover well and continued to lack energy five months that resulted into years. Finally, in desperation, Evelyn took chelation therapy in New York state. She was soon feeling better and has continued to improve even though she has completely discontinued the blood pressure and heart medications prescribed by doctors here. The Ontario health plan, OHIP, likely paid about \$65,000 for the bypass surgery, which did not produce acceptable results, whereas we spent only about \$3,000 for the chelation therapy. Both the health and good financial management would seem to favour serious consideration of approving this procedure under provincial health plans.

Eugene G. Perry, Scarborough, Ont.

They can designate chelation therapy all they like. All I know is that about 10 years ago, when I was in my early 70s, I had angina so bad I could not walk half a block without stopping several times for relief. After a few treat-

Trek back in time

The July 12 issue was excellent. I enjoyed "The Long March West" (July 12) on the North West Mounted Police. When Sir John A. Macdonald, the father of our country, sent out the first Mounties to Western Canada, he certainly had a vision of this great country. We should all be grateful for his foresight.

Ruth Watson, Saskatoon

It had been raining for two days when the clouds broke for the sun to shine through on the procession of soldiers on horses riding by my front door. It was an impressive sight. For me, it highlighted the hardships the original mounties went through and the history of this region of Canada.

Alan Kent, Horden, Man.

Steve, I felt greatly inspired and now, after a decade of 67 treatments, I can walk a couple of miles with no difficulty. I take four treatments a year for maintenance.

Edward W. Parnis, Hamilton

Share mix-up

I would like to correct an error that appeared in Dander McManis's column "Sitting up the numbers" (July 5). The shares issued by TD Waterhouse Group, Inc. in its initial public offering were not what was incorrectly referenced in this column as "leading shares." There is a significant difference in what common shares and tracking shares represent and on how they are valued. TD Waterhouse is a stand-alone company, with its own board of directors, its own chief executive officer and its own common shares traded as TWE on both the NYSE and the TSX.

Jonathan Conway, Senior Vice-president, Corporate and Public Affairs, TD Bank, Toronto

Territorial imperative

Peter Gazeval's report was a useful opportunity to explain to southerners (the 30 million Canadians who live

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Notes

Edited by Tanya Dawes

A pioneer in the pool

Montreal student Roben Prévost is a barely going where not many men have gone before—the synchronized swimming pool. For the past eight years, Prévost, 19, has been floating, spinning and competing in what is typically a female domain. Last month, at the 1999 Masters Canadian Championships in Burnaby, B.C., he rubbed soap marks in the solo category—a first for a man. He also joined a group of female synchronized swimmers from a St. Bruno, Que., club for a team demonstration. "I've heard jokes since I was 11 years old," Prévost says of competing in a female sport. "You create a wall around yourself and you don't hear what people say."

A former competitive swimmer, Prévost took up the sport of synchro to supplement his training. But he became hooked by the beauty of it and synchro became his primary interest. He was dancing, at first, he concedes, being the only male in a class of girls. "But they accepted me very quickly," says Prévost, who now trains 10 hours a week with Montreal's *Aquariums Edouard Montpetit Club*. He choreographs his own routines and also takes part in team events—though he passes on the aquated aerobics and hotpots, wearing instead a Speedo and the prerequisite noseplug. He has won several competitions at the provincial level. Being a male syn-



Prévost: synchronized swimming is a 'passion' for the champion

chro swimmer has advantages and disadvantages, according to Prévost. He believes he has strength and speed in his stroke, though he concedes this women favor more easily.

Prévost, who is planning to study computers that fall, now wants to step up to the elite level and compete at the Canadian national championships in May, 2000. (Currently, men aren't eligible for Olympic competition.) For his efforts, he finds support from his girlfriend, Mélanie Dufort, who is also a synchronized swimmer. "She knows it is a passion and she encourages me," he says. "For her, what I'm doing is completely normal."

Canadian TV in 1997. But the program, produced by Nelvana, Canada's largest independent animation company, only appeared on U.S. television last October. Since then, merchandise featuring the tiny green turtle has become all the rage for toddlers and young schoolchildren. Nelvana has granted 20 new merchandising licenses in North America since the beginning of the year, bringing the total to 48. And more than 24 million books have been sold worldwide since Franklin was created. Slow and steady won the race.



A TV-savvy turtle

Move over Barney!—Franklin the turtle now rules the airwaves. The *Franklin* cartoon series, based on the children's books written by Tamasin Frazer Bourgeois and illustrated by Brenda Clark of Port Perry, Ont., was named the most popular kids' TV show in the United States last month. "I could not have imagined this," says Bourgeois, who created the character back in 1986. "I wrote one story and was thrilled that anybody wanted to publish it."

Franklin, a timid terrapin, first sized on

Explorers

A liberating laptop

In a nifty piece of corporate downsizing, Apple Computer Inc. hopes to capitalize on its highly successful, multi-tasked desktop computers, the iMac, with a similar product for the laptop market. The "iMac to go," a new Apple co-founder and interim chief executive officer Steve Jobs described the iBook while unveiling it last week in New York City. Having proven with last year's iMac that design counts in computing, Apple is betting that a laptop that looks different will sell, especially with everyday consumers who have been slower to embrace portables than business executives and professionals. The iBook, which will be



Jobs with the new iBook offers wireless surfing

available in September for \$2,400, comes in a translucent shell with rounded edges and in two colors—blueberry and tangerine. Apple has added one unique option: a wireless Internet connection. Users must purchase a \$450 AirPort base station, which plugs into a modem, and a \$150 computer card. When the card is inserted, they can surf the Web or check e-mail up to a distance of 50 m from the base station.



A rooftop garden in Toronto, using new technology to create green space

A tall green thumb

Forget about the backyard, the environmentally friendly place to plant a garden these days is the roof. Steven Peck, director of a coalition of roofing manufacturers and consultants called Green Roofs for Healthy Cities, is launching an overhead green revolution, starting in Toronto. Greening a city's rooftops, which has already occurred in many German communities, can lower heating costs, reduce runoff flowing into storm sewers and help remove contaminants from the air. And with roofing systems proven in Europe

and now available in North America, one can cultivate hardy, low-maintenance grasses, shrubs and ground cover without adding excessive weight to the roof. The technology consists of a waterproofed water membrane, a sheet of composite material for drainage and a 10-to-15-cm-thick growing medium of crushed rock, peat and soil. Roofing manufacturers have developed these growing compounds because they are lighter than topsoil mixes and do not require seasonal replenishment with fertilizer or fresh earth. Perfect for the city grower.

D'Arcy Jewish

Passages

Retiring: Veteran skier Brian Stannell, 52, after a 15-year career with the Canadian national ski team, in Toronto. The Aurora, Ont., native won three World Cup downhill medals and was the only member of the team to make four Olympic appearances. In January 1989, he took a scorching tumble on the Hahnenkamm course at Kitzbue-



hel, Austria, suffering near-fatal injuries. Yet 20 months after the accident, Stannell was back competing on the World Cup circuit. He has accepted a position as an analyst on CTV Sportsnet's ski broadcasts.

Death: Laurence Laporte Landry, 57, Quebec Court judge and the wife of deputy premier Bernard Landry, of cancer, in Montreal.

Death: David Ogilvy, 88, founder of the advertising agency Ogilvy & Mather, in Touffou, France. The agency, which he started in 1948, now has 250 offices in 100 countries. Ogilvy retired in 1973.

Hired: Peter Hertzberg, 58, an director general and CEO of the National Arts Centre, in Ottawa. Previously, he was the chairman and CEO of TVOntario.

Death: Danisiri Terrythorp, 22, defenseman for the National Hockey League's Philadelphia Flyers, as a result of a boating accident, in Kelowna, B.C. The Russian-born player, who was in British Columbia for a power skating clinic, died after he fell aboard and the boat's propeller sliced his throat.

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Opening Notes

Best-Sellers

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2. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
3. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
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6. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
7. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
8. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
9. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
10. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
11. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
12. THE INDIAN JOURNAL, Michael Ondaatje (2)	4

Nonfiction	WEEKS ON LIST
1. THE FIRST WALKMAN, Michael Ondaatje (2)	4
2. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
3. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
4. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
5. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
6. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
7. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
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10. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
11. THE INDIAN JOURNAL, Michael Ondaatje (2)	4
12. THE INDIAN JOURNAL, Michael Ondaatje (2)	4

Defining Canadians

What is a Canadian? Award-winning author Pierre Berton attempts to answer this age-old query in his 46th book, *Pierre Berton's Canada: The Land and the People* (Knopf). To support his thesis that "the marriage between history and geography has created a nation like no other," Berton has selected hundreds of colour photographs and written thoughtful sketches of 25 historical figures to illustrate how the land has shaped the Canadian character. Ranging from the Yukon, where Berton was born, to the Newfoundland coast, he highlights both familiar characters, such as Sir John A. Macdonald, and the lesser known, including Toolik, an Inuk woman who survived a 3,200-km journey from Ellesmere Island to London on ice floes.



Barbara Amiel

Sadly, charm is not enough

To the tables down at Morley

To the place where

Lower death

To the door old Temple has set us well

Long the Whiffpool assembled with their places read on high

And the magic of their singing came as still

—Whiffpool Song, 1909

I think of that song when I think of the dead young Kennedy couple. I think of Yale and New England and P Scott Fitzgerald's careless couples. They were well people, he might have written, real wealth. William Bradford Huie in the social views, sometimes more, quite-watched. "If you were president what would you do?" Barbara Wilson asked John F. Kennedy Jr., who passed, then replied: "Call my Uncle Teddy and plan." Even Barbara, who was a hero to him, smiled at that one: "Who could help?"

They had the kind of seamless skin that money buys when the complexion is smoothed from commoner grades, women's faces of failure at school or failure at work or a failed love affair. They could forget failure and go to Aspen or Nepal or ride white swans. And, oh, how they looked! Last winter at a charity ball in New York City, we were all maroon dressed up as lambs against the wall in our velvet and chiffon, our husbands and girlfriends too white, the Carolyn Bessette Kennedy, our next to me in her sparkly white wrap-on corset and long black skirt, was a bubble in night, so impeccably off-the-moment.

When she spoke in a low modulated voice, I couldn't make head or tail of her conversation. She was happily lost in a self-inflicted language maze, talking about some ceremonial question she had just discussed. It didn't matter a what. All anyone could think was that this must be perfection, so middle was her dits, so perfect the eyes, so touchingly glib her little monotonous racking in the blouse.

The two of them played at things, especially he. He always played music, a grand piano. A whiffpool. He was a high-society dog, grander for a while and helped earthquake victims and the battle against apartheid. Next, it was the law, where he failed his law exams twice, no winning, but finally passed and for four years he played at being a lawyer. He had a perfect overseas record of six wins, no losses as an assistant prosecutor. Not that it's very difficult, since prosecutors win over 90 per cent of their cases. Then, he stopped being a lawyer. He played at being a publisher and on others. He played the role to perfection—much and the right amount of gravitas—when he unveiled the inaugural cover of Cindy Crawford as George Washington. For that same issue, he asked Madonna to unveil the queen. "What would you do as president?" None of us remember her answer, but

we remember him and George.

Still, he was looking for money

in Toronto only a few weeks

ago to keep his magazine afloat.

He was thinking, we see told, of playing at politics now.

There are certain things in life you can play at with relative impunity. A person with good looks, some money, breeding and charm can go a long way playing at this or that. You can be a lawyer, a publisher, a businessman, or a politician, a statesman even. JFK's first endorsement was to play at being a pilot. On that last night, he probably helped his wife outboard. That was another nice quality about him: he was always a gentleman, careful manners and a protective arm.

He probably missed a normal descent ready to drop his states-as-a-lawyer in Martha Vineyard. He went from 1,700 m to 700 m and then something occurred. Up there, on a dark July night, his eyes must have watched the navigational aid of the moving map with its little airplane symbol showing how the northern—skulls, compass heading, points from destination, bearing—but not how to fly the plane. And he could not know. The horizon was probably gone and with it his visual ability to fly.

If you are not instrument-trained, you can't legally fly a plane. If you can't see the horizon, but that doesn't prevent a pilot. He JFK Jr. flies starting out in marginal conditions and raining into bad ones. He might then have done what all pilots learn in basic training: if they inadvertently fly into clouds, and that is to do a 180-degree turn—but that may not get you out of there. He had the time he could have tried it, guess, "the George do it"—and the magazine but what pilots often call their wingtips—which would have kept the wings level, preventing a spiral dive and giving him a little time to think about how to get out of his predicament.

If he had had the time, he might have reflected that his mother did him no favour when she begged him from being an actor—the fine line thing he played at. The camera liked him. He moved well, he was engaging and beautifully handsome. He may have had all the talents of a mistress and there are worse things in life than that.

One of the worst things is to find yourself in a moonless bay night outside a little rustic cube over the Atlantic at 750 m with nothing but the law of gravity and aerodynamics as your company. You can't glare your way out of that. Social position and connections can help. The only thing you can rely upon is your own wits and your knowledge. *Canadian magazine offer a year. Download from here to memory. Don't have any on such a star. But, but, but.*



Nortel's Driving Force

John Roth's quest is to turn a telecom giant into an Internet powerhouse

By Ross Laver

John Roth was not at all happy for two months last winter, a Dallas-based advertising agency had been working on a hip new TV commercial for Nortel Networks Corp., the Canadian telecommunications giant of which Roth, 56, is chief executive officer. The goal of the campaign, based on the Beatles song *Come Together*, was to change Nortel's image from that of a sleepy manufacturer of old-line phone equipment to an innovative supplier of hardware and software for the Internet age. But after screening an early version of the ad on Feb. 18, Roth fired off an e-mail message to the man in charge of the new campaign, William Conner, Nortel's executive vice president of marketing.

"I told [him] I didn't like it at all," Roth said recently during an interview at his Brampton, Ont., office. The ad showed a silver-haired executive reciting the lyrics to the Beatles tune—"Here come old flat-top, he come groovin' up slowly"—before an assemblage of stylized businessmen. Roth saw how the song title fit Nortel's new corporate-branding strategy, but for the life of him, he couldn't figure out the ad. "It was dark and foreboding and the script was confusing," he recalled. "Plus there were all these foreigners. I didn't know Nortel was owned by the Japanese, but in the ad the chairman seemed to be a Japanese guy—and he's frowning. I thought, 'What's this guy doing? Why are all these people standing around? And what does any of this stuff have to do with Nortel?' The ad talked about the era of 'united networks' but scarcely mentioned the biggest network of all, the Internet. 'Look,

this is all about the Internet," Roth told Cooney. "That's what the marketplace recognizes, so let's claim the space."

Cooney got the message, and in less than two weeks the ad agency produced a radically different commercial. Gone were the moody lighting and the Japanese businessmen. At Roth's suggestion, the director had images shots of ordinary people using computers, mobile phones and other high-tech paraphernalia. Best of all, a voice-over mimicked the company's Internet credentials. Namel, the ad said, is "bringing it all together with the true power of the Internet." Roth loved it. Cooney and the ad agency, he told associates, had worked miracles.

They had, but Roth himself clearly deserves a healthy share of the credit. Since he took over as chief executive of Canada's biggest high-tech company in October, 1997, the linky, soft-spoken native of Lethbridge, Alta., has instilled a radical overhaul of Northern Telecom, a transition symbolized by the re-

the Internet, which threatened the company's lucrative PC software business by opening up the market to a host of nimble new competitors.

Now, Roth is steering Nortel in the same direction—and for much the same reason. For decades, Nortel has earned its money by manufacturing and selling switches and other phone gear to telephone carriers such as Bell Canada (which, like Nortel, is part of the corporate empire of Montreal-based BCE Inc.). Roth, however, believes that by the end of the next decade nearly all telecommunication—voice and data—will travel over the Internet. If and when that happens, it will demolish the traditional economics of the phone business, which has been based on tolls for voice traffic. The future also holds perils for Nortel, because in an all-Internet world there may no longer be a market for the circuit-based switches that have been its core products.

"The market in which we're competing has changed drastically, and so has our competition," Roth warned in a memo last year to Nortel's 75,000 employees, 23,000 of whom work in Canada. "In addition to competing against our traditional competitors, we're going head-to-head with the best in the computing industry, the best in the consumer electronics industry, and the best in the data networking industry. And these new competitors were born and raised in an environment vastly different from the one we grew up in."

Lucky analysts and investors have been applauding Roth's strategy. Since he replaced Jim Mooney as Nortel's chief executive 21 months ago—Mooney moved on to become BCE's president and CEO—the company's share has climbed 80 per cent, closing last week at \$130. In the first six months of this year, Nortel was the second-fastest-rising stock on the Toronto Stock Exchange; its market capitalization, \$86 billion, is equal to 9.2 per cent of the combined value of all Canadian-based companies on the TSE. In domestic terms, the company is a colossus: it spends more on research and development than any other corporation in the country (\$3.6 billion last year alone); it employs more engineers and technology workers than any other Canadian company (9,250), and it ranks fourth in the country in terms of revenues (\$26.1 billion in 1998), behind General Motors of Canada Ltd., BCE, and Ford Motor Co. of Canada Ltd. At its current rate of growth, it could easily be number 1 in revenues within one or three years.

As big as it is, however, Nortel is just one of many players fighting for a share of the \$400 billion-a-year world market for telecom equipment. The competition is cutthroat, pitting Roth's company against such global behemoths as Lucent Technologies Inc. of Murray Hill, N.J.—spawned from AT&T Corp. in 1996—Sweden's Ericsson, France's Alcatel and Germany's Siemens AG. Each of these companies is bigger than Nortel, yet the Canadian company has more than



Cooney: "Some people think it's as Nortel to be aggressive about marketing, but this is about going from defense to offense."

held its own against them. Since 1995, Nortel's revenues have increased by an average of 18 per cent a year. In part, that's because the market itself has grown rapidly as deregulation sweeps through the industry, giving birth to new competitive carriers and fueling demand for the equipment required to build new telephone networks. "Over the past few years," Roth says, "we've gone from serving less than 100 customers to serving more than 1,000."

The other trend shaping the industry is the continuing growth in the amount of data travelling over the world's telecom networks. At roughly as early as the 1950s, data was an afterthought for most big phone carriers, accounting for only a tiny portion of their total traffic. But the rise of computer networking—both within companies and among national computer users, who typically use telephone lines to connect to the Internet—has set off an explosion in data movement. "Nortel's a company that grew by building telephone systems," Roth says, "but telephone conversations only grow at about three per cent a year. In my mind, it grows either with the GNP or with the population of the country. Data networking, on the other hand, has been growing at 30 to 40 per cent per year. So, in a very short time, it grows from being nothing to being everything."

That is no exaggeration. In the fall of 1996, for the first time over the amount of data traffic worldwide overtook the amount of voice traffic. "You do the math and by the year 2000 it's going to be 75 per cent data, 25 per cent voice,"

Roth says. "In a few more years it will be 95 to five. Guess you can see where we're going."

The increase in data traffic has huge implications for Nortel and other telecom equipment makers, because their primary products—refrigerator-sized boxes known as circuit switches—are primarily designed to handle voice transmissions. Circuit-switching is an efficient way to handle voice traffic because most phone calls are short and consist of a continuous stream of conversation. Data traffic, however, tends to occur in big bursts—for example, when a person downloads a file from the Internet—followed by long periods of inactivity. To avoid tying up lines, a group of engineers at the U.S. defense department in the 1960s invented a technology called packet-switching in which data is broken into chunks, or packets, which are then transmitted over the network and reassembled when they reach their intended receiver. The advantage of packet-switching is that it allows the same network lines to be used by many people simultaneously.

Nortel has been a major supplier of data-networking gear since 1983, but until recently the company's efforts focused on a particular type of packet technology known as ATM (for "asynchronous transfer mode"), which is popular with phone companies and large telecom users such as multinational corporations. It was Roth who decided that Nortel should change direction by embracing its alternative technology known as Internet Protocol, or IP. Doing so, he realized, would cause massive disruption and consume many millions

Roth predicts the explosion in data traffic will demolish the old business in phone conversations

cent adoption of Nortel Networks is the company name. Changing the name, however, was the easy part. The bigger challenge is Roth's attempt to change Nortel's culture. He wants to prove to Nortel's customers, staff and shareholders that a 104-year-old company headquartered in suburban Toronto can compete and win against the hottest engineers and hard-driving upstarts of California's Silicon Valley.

And that's not just Nortel that Roth is trying to change. Either this year, he publicly took on the Liberal government of Prime Minister Jean Chretien, claiming that high personal income tax rates are "robbing the elegance" of Canada's top engineers and researchers, doing a growing number of them in the United States. Chretien later accused Roth of putting his business interests ahead of the country, but the Nortel CEO has not backed down. "I think it's something Canada has to face up to," he told *Maclean's*. "The issue is, can Canada maintain this

Rising Fortunes

The monthly closing share price for Nortel Networks



of dollars worth of R and D, but Roth was convinced that the rapid growth of the Internet, which runs on IP, would transform his industry. Unless Nortel got on the IP bandwagon, there was a danger it would be pulled aside by a fast-rising Silicon Valley star such as Cisco Systems Inc., which dominates the market for IP data equipment.

Roth's epiphany came in the summer of 1997 while he was still number 2 to Minsky. That February, Nortel's board of directors had announced that Roth would be taking over as CEO in the fall, the crowning achievement of a 28-year career at Northern Telecom and its former research subsidiary, Ottawa-based Bell-Northern Research Ltd. In the previous five years under Minsky, Nortel had undergone a top-to-bottom transformation, shedding obsolete business units, inaugurating R and D more closely with sales and restructuring the company along product lines rather than geography. "I found myself in the



Chamberlain's view of Roth: Tjost just held center

away from ATM towards IP a step that flew in the face of conventional thinking in the industry. "I'm convinced the future success of Nortel will depend, to a large extent, on our ability to do for IP networks what we've done for voice networks," he said in a letter to employees two months after becoming CEO. "IP networking will become one of the indispensable core competencies."

For months, Roth worked at selling his vision within the company. In its current stage of development, IP is in some ways technically inferior to ATM, so many of Nortel's engineers were convinced that Roth's road would lead to problems. What's more, IP networks are typically built not with conventional circuit switches but with routers, devices that sort and interpret individual data packets and ensure that each one is sent to its proper destination. Nortel wasn't in the router business, and many inside believed it would be a rationale to challenge the companies that were—Silicon Valley firms such as Cisco, 3Com Corp. and Bay Networks Inc. Roth flatly disagreed. "Hey, time out," he recalls saying to one group of employees. "The customer buying all this stuff doesn't want to worry about that crap. So if we can't beat 'em, join 'em, and let's build better routers." Roth didn't need to remind his staff of the last time he had championed a new direction for Nortel. In the 1980s, he pressed the company to get into the wireless game at a time when some executives were convinced cellular was a fad, like CB radio. Today wireless systems generate a fifth of Nortel's revenues.

Roth ultimately bought his way into the router business, engineering a \$13.6-billion takeover of Bay Networks in August 1998. It was the first time a major telecom equipment maker had joined forces with an IP networking company, and many investors worried Roth had seriously overpaid, shelling out more than three times Bay Networks' annual revenues at a time when Bay was losing market share to Cisco, its much larger rival. Nortel's stock plummeted, losing 53 per cent of its value in four months because of widespread concern over the cost of the Bay acquisition and its impact on future earnings. "He was the first guy out of the gate and everybody said, 'What is he talking about? He

didn't can carry out a business transaction with someone he's never met in Canada—it struck me what a powerful force this was, and how could something like this ever be stopped?"

Roth bought the glove-bowler. From other Web sites, he purchased a 1995s pickup and a pool table. By then, he had become convinced that Web commerce was the wave of the future, and that Nortel needed to position itself to profit from the explosion in Internet traffic. That meant shifting the firm's primary development effort

Switching on the World

The surge in global telephone deregulation has fuelled demand for Nortel products and the growth in its revenues. The time has begun to mark the arrival of serious telecom competition in various countries.

1978
United States
1989
Chile
New Zealand
1990
Britain
1991
Australia
1992
Canada
Dominican Republic

1993
Malaysia
Sweden
1995
Hong Kong
1996
Denmark
Ecuador
Finland
Philippines

1997
Colombia
Mexico
Netherlands

1998
Austria
Belgium
France
Germany
Ireland, Italy
Luxembourg
Norway
Peru
Switzerland

1999
Argentina*
Guatemala*
India*

2000
Portugal*
Singapore*
South Korea*
Venezuela*

*Expected to operate



Nortel's research facility in Naperville, Ohio, causes awe being up sales in the United States

must be real," says John Tyson, Nortel's senior designer. "I and my colleagues had about a two-year setback in our future [financial] planning because the share price just tanked."

Roth stuck to his guns, however, and before long the critics—both inside and outside the company—started to come around to his way of thinking. In January, Lucent Technologies, acknowledging that it had fallen behind in the packet-switching race, struck a deal to buy Ascend Communications Inc. of Alameda, Calif., for \$30.4 billion, a price that made Nortel's deal for Bay Networks look like a bargain. Meanwhile, Nortel had moved quickly to exploit its newfound strength in the data market. This past spring, the company unveiled a raft of IP networking devices for the business market, many of which incorporate Bay Networks technology. The company has also announced a series of lucrative, multiyear supply contracts with telecom carriers around the world, promising to help upgrade their existing networks to more efficiently handle IP and other types of data traffic.

Most of Nortel's competitors dispute the Canadian company's claim to be a leader in next-generation technology, although they do concede that Nortel has advantages in certain areas, such as fibre-optic networks. But one thing is one question: Is Nortel's success in retooling itself? "Technically, we're at least as good, if not better, but they've stolen the show through aggressive marketing," says Prabhat Ganguli, a senior competitor analyst at Eric-

son in Stockholm. A recent article in *Telecom*, an in-house Ericsson magazine, acknowledged that Nortel "has a much stronger image than Ericsson in the IP and datacom markets," adding, "All around the world, they are on the offensive, buying market shares through kamikaze-like pricing strategies."

The challenge for Roth now is to maintain his company's position in the traditional telecom industry while waging war against Internet giants such as Cisco. It is a battle of perception as much as technology—one reason why Roth and his team plan to spend about \$150 million this year on advertising, at least three times the ad budget in 1998. "Having all this technology in gear, but it's not enough," says Connet, 40, a former AT&T marketing executive and native of Atlanta who is one of Roth's rising stars. "Nortel was always known as an old-world carrier company," he adds. "Some people think it's very un-Nortel to be aggressive about marketing—an Canadian to a certain degree—but this is all about going from defense to offense." Cisco CEO John Chambers agrees that Nortel had moved quickly. "If you go back and look at what our old-world competitors were saying 12 months ago, it would shock you how far they have come," he says. "I have a lot of respect for John Roth. I just wish he'd retire or go join a different industry."

Ironically, Nortel's heightened concern for corporate image did not prepare it for the controversy in late April over Roth's low

When the stock tanked with the new direction, some of the staff wondered if the boss had lost his marbles

summertime saying, well, what am I going to do here?" Roth says. "I'd been in charge of more and more of the portfolio as time went on, and I'd reached the point where the company I was going to take over was really my own design. So I'm looking at this thing, saying, you know, I've got the company structured the way I want, everything's going pretty good—that is going to be a really boring job. I started thinking, well, what's coming up? And one of the things I thought I should do is get more involved with the people leading traffic on the Internet and are where it's going."

Over the next few months, Roth talked to a succession of Nortel customers about their data needs. He also spent hours surfing the Web in his office and at his home in the Caledon Hills, north of Toronto. One of the things he was curious about was the growing interest in electronic commerce, considered by some to be the single most important Web application. A collector of old automobiles, he decided to use the Internet's usefulness by searching on the Web for something he had been unable to obtain from a Canadian dealer—a replacement liner for the glove compartment of his prized 1966 Jaguar E-Type. "I started goggling around and within five minutes I'm in a little garage north of London, England—a four-man operation—and he's got my parts. How would I have ever have found this person if he wasn't on the Web? The idea that some guy north of Lon-



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to rent. The issue erupted after a Nortel executive, Clive Allen, told a Cleveland audience that Nortel and other high-tech firms "owe no allegiance to Canada," and might be tempted to leave the country unless Ottawa moves quickly to slash tax rates. "I don't think Canada should feel they own us," said Allen, whose remarks made headlines across the country. "The place has to remain interested in staying there."

Eager to distance himself from Allen's comments,

Roth later issued a strenuous pledge: Nortel's allegiance to the country, but recognizing that high taxes were making it harder for the company to retain highly skilled Canadian workers. From a public relations standpoint, however, the damage had been done. At Nortel's annual



Kristal embraced Nortel in front of TV cameras

meeting on April 25, television camera-courtesy 72-year-old shareholder and Boston-area homemaker Carmel Krystal publicly berated Roth for Allen's "gratuitous and nasty" remarks. "Nevertheless, everybody just thinks of themselves," Krystal said. "I feel what [Allen] said was very offensive."

An executive's suggestion that Nortel might leave Canada was a public relations fiasco

Roth doesn't argue the point. "That lady and I weren't in a lot more agreement than she realized," he says. Allen, who retired as president in May, "overcommunicated very poorly," Roth says. "He thought he was speaking in private, but he's a very experienced man." If he had wanted so, Roth could have refused to discuss the tax issue, noting that Allen was not authorized to speak for the company. But he's not his style to duck a sensitive issue.

In the same way that Nortel is being forced by circumstances to change, Roth is convinced Canada has to change. "Canada got a great quality of life, but you've got to balance that with other

the friends of my children, and the children of the folks here at Nortel are going after university. And it's astounding the number who are heading out of Canada. Someday, they're going to run companies and have tremendous responsibilities, and they're deciding not to stay. It's their allegiance we have to worry about."

Roth knows his voice is just one of many, than it's easier to shake up a company—even one as large as Nortel—than it is to encourage a country. At least in his own world, he has had a lot of success. An internal Nortel survey this spring found that employee satisfaction was up five percentage points over last year, to 75 per cent. "I was a little worried, because we've made a huge amount of changes, we've changed with Btu, and lots of people don't know what their job is anymore," he says. "But I think it's partly the fact that we have a decision—what we're doing it. I think people feel the change is exciting." That goes double for Roth. ■

Singing the tax-cut refrain

Big business and Ottawa lock horns over talent moving south

By John Geddes

When Nortel's John Roth pumped into the great brain-drain debate, his name was added to two mental lists kept around Ottawa. For Liberal politicians who are fed up with being accused of driving Canadian talent south with high taxes, Roth joined the roster of high-profile critics who stand to be elected down. But for true believers in the tax-cut crusade, Roth joined an honour roll of corporate shoguns—an exclusive club that includes Power Corp. patriarch Paul Desmarais and Canadian Pacific Ltd. chief executive David O'Brien—who have been willing to take on an obviously stronger government in this year's most heated economic argument.

Nobody was more grateful for Roth's intervention than Thomas d'Aquino. As president and chief executive of the Business Council on National Issues, d'Aquino is the beleaguered point man for Canada's biggest corporations in this acrimonious battle. The squabble over income has driven Canada's business elite and the country's ruling party further apart than any other policy file since Jean Chrétien took power nearly six years ago. Chrétien has slammed the brain drain as a fabrication of a business class. This miffed d'Aquino.

"When a John Roth or a David O'Brien says he's having trouble attracting or keeping people, that is not an invention," he told *Maclean's*. "That the Prime Minister would question the veracity of that is absolutely staggering."

There are strong words for d'Aquino. Since 1981, when he took the helm of the BCNI, representing the CEOs of Canada's 150 biggest corporations, he has often burned heads with politicians behind closed doors. But in public, he is usually scrupulously polite. That sensitivity came to a head in his litigations as a conservative-Ottawa insider. (It doesn't hurt that he is married to a senior finance department businesswoman Patricia, and that the power couple lives in a three-piece home in the capital's exclusive Rockcliffe Park enclave.) His chief seemed boundless in the 1980s, when the BCNI's enthusiasm for free trade dovetailed neatly with the Conservative government's goals. When the Liberals were poised to return to power in 1993, d'Aquino smoothed the transition by praising the party for taking a rightward policy shift.

But relations between the BCNI and the Liberals have not always been cozy. The organization was made uneasy by Finance Minister Paul Martin's strategy of waging out Ottawa's annual deficit by setting a nation of targets. But when the BCNI called for a similar set of targets for the accumulated debt, Martin declined. On another key issue,



d'Aquino urged that Cloutier double a brain drain rate

d'Aquino urged the government not to agree to ambitious targets at the UN-sponsored 1997 Kyoto, Japan, conference on global warming that might force Canada to curb fossil fuel burning. He suggested that avoiding an economically damaging clampdown on oil, coal and natural gas consumption was even more important than fighting separatism or lowering taxes. The government struggled and agreed to the targets.

d'Aquino insists that these were not deft. On debt, he says Martin's recent budget contains implied targets, even if not the explicit ones the BCNI had urged. He predicts—and many experts agree—that Canada will not achieve its promised Kyoto reductions. Still, the BCNI longs for a victory in the tax debate. Crippling the upper hand in the argument over whether some of the best high-tech talent in driving high taxes would be a major stroke, and d'Aquino promises to provide definitive analysis by the fall.

In government circles, though, resistance to aggressive personal income tax reduction remains stiff. "Some of the co-operations of business people like Roth are simply unrealistic," says Liberal leader and longtime Martin adviser Mike Robinson. He says Roth, d'Aquino and the rest of the intellectual chorus need to accept that spending in areas like health, education and research also gets a piece of the burgeoning federal surplus. "It burns their credibility with government if they aren't willing to make demands that are realistic."

d'Aquino claims political reality is, in fact, on his side. "A Liberal government," he asserts, "could not possibly persist itself before the Canadian electorate next time around and say, 'Terribly sorry, but after eight years in power we have been not been able to provide you with any significant increase in your disposable income.'"

Glen Clark Stands Firm

By Jennifer Hunter

For a man who is under extreme pressure to quit his job as premier of British Columbia, Glen Clark is a virtuoso at making any anxiety he might feel. Last week, barely dressed in a grey suit with a red rose pinned to his lapel, he looked positively resolute as he introduced four new members of his cabinet and smilingly told reporters "not to believe everything you read" about dissension within the cabinet and the ranks of the provincial New Democratic party. But his cautious cabinet shuffle, which brought in Clark loyalists while leaving some powerful dissidents in key positions, was clearly the act of an embattled man fighting to save his job. "You've got to hand it to him," observes one Vancouver businessman. "He can take a punch better than any other politician in Canada."

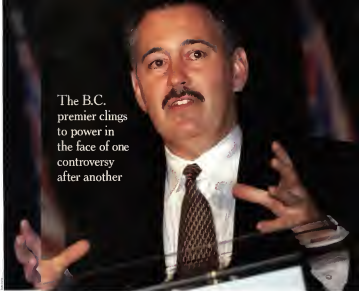
In the past two weeks, those punches have come fast and furious. The first was the abrupt resignation of the respected and influential finance minister, Jay MacPhail. Then Clark's parliamentary secretary, Gorman Bowbrick, handed in his notice after just one year on the job. Finally, Sue Hannell, the women's equality minister, said she had had enough. Adding to the damage was the public revelation of a letter written by two former NDP MLAs who called on Clark to resign. The measure was endorsed by about 20 other high-profile New Democrats. "I think he is doing a disservice to the party by staying on," explains Bill Butler, a former NDP MLA who supported the letter. "He's not a visionary and he's never had a coherent long-term economic strategy."

Durlene Marston, another former MLA who endorsed the letter, also concludes Clark should step aside for the good of the party. She says she is quite concerned by the NDP's decline in public support, which is exacerbated by a flagging economy and scandals over expensive enterprises such as the province's fast fumes project and a convention centre in Vancouver (the fast fumes are \$240 million over budget; the convention centre plan was recently put on hold because of financing problems). Polls done by the Angus Reid Group in June show only 16 per cent of committed voters would cast their ballots for the NDP and eight out of 10 British Columbians disapprove of Glen Clark's performance as premier (the NDP currently holds 40 seats in the 75-seat legislature). "I worry that as Clark falls in the polls, and in the esteem of his colleagues, the party will be severely damaged," Marston says.

Clark, always the sceptic, says he is not upset yet, and is cheerfully deflecting the critics and the demands to leave office. "Many of those people never supported me and they don't support me now," he told reporters. "I intend to stay as long as I command the support of the caucus and the party." But how much support Clark has is not clear. He is seen as autocratic and difficult, and internal rumblings about his leadership began in earnest last January. Clark pleaded for time to pass the Nagai's treaty, the historic aboriginal land-claims agreement that he sees as one of his crowning achievements. Then, in March, came the

Clark after three recent resignations, a cabinet shuffle and a promise to 'letcher more and pressure less'

The B.C. premier clings to power in the face of one controversy after another



nocturnal raid on the premier's home by the RCMP, who were investigating the granting of a charity casino licence to Clark's friend, Director Platonov. Although the RCMP claimed no wrongdoing on the premier's part, questions arose about his relationship with Platonov—who was under investigation for illegal gambling—and a possible conflict of interest. At that point, no one inside the NDP felt they could chase Clark out of office. "There was the sympathy factor," notes a party insider. "It's very risky, in terms of electoral politics, to look like you're kicking the dirt out of someone when they are down. That raid had a chilling effect."

Clark weathered the scandal, and began to rebuff renewed calls to step down. In fact, since a caucus retreat in early July when several cabinet ministers asked him to leave office, he has been working hard to shore up support and shut down critics. He even recruited NDP heavyweights such as former B.C. premier Dave Barrett and Burnaby Douglas MP Gerald Robinson to lobby on his behalf. On July 8, Barrett was seen leaving the office of Attorney General Ujjal Dosanjh—

regarded as a credible successor to Clark—after questioning Dosanjh about his leadership ambitions. "It was a very short meeting," Dosanjh snapped later. "I heard him and I'm absolutely certain he heard me. It was a very frank exchange of views." A few days after MacPhail's resignation, Robinson made a fiery anti-provincial politics, phoning NDP caucus members in an attempt to win them over to Clark's side. "I am not going to watch my party be destroyed by a small group of people who, in some cases, differ fundamentally from the policy direction in which Glen Clark and the party want to take," Robinson told MacPhail.

Clark subscribes to this view as well, arguing the dispute is not really over his leadership, but rather the policies of his government. "There are differences on what we should be doing and I prefer them to be kept inside, but now you're seeing some of them being played out publicly," he says. Still, colleagues contend he is a leader unwilling to listen to signs of view outside his small circle of advisors, and they suggest that insularity is having a devastating effect on the party. Since

Questions over Clark's performance as premier and pressure on him to quit will likely continue to mount



Clark became premier in May, 1996, membership in the NDP has eroded by 30 per cent—down to 14,000 members from 20,000. The NDP convention last month was a poorly attended affair that political analysts were brought in and provided with delegates' credentials to flesh out the crowd.

Much of the traditional support enjoyed by the party, from unionists and the labour movement, for example, has also been severely undermined. "The premier has lost the moral ground in leading the party," argues John Shields, who recently stepped down as president of the 60,000-member British Columbia Government Employees Union. "People who traditionally stick with the party through thick and thin won't vote for it in the next election." Shields points to an internal poll last March of BCGEU members that showed two-thirds of them do not support a Clark-led NDP.

The dissimulation and scandals that are dogging Clark seemed to start from the moment he was sworn in as premier on Feb. 22, 1996, taking over from Mike Harris. The Liberal Opposition threw cold water on the celebration by revealing, day by day, a conflict-of-interest problem at B.C. Hydro, which had been part of Clark's bid when he was finance minister. Some NDP insiders, their families, and B.C. Hydro executives had invested in a Palisades power project partially owned by the public utility Clark fled B.C. Hydro minister John Sheehan, who later won the wrongful dismissal, saying Clark knew he and others had invested in the Palisades scheme. Last month, a B.C. Supreme Court awarded Sheehan

about \$500,000 in damages, the judge noting he preferred "the evidence of Mr. Sheehan to the evidence of Mr. Clark."

On the heels of Hydroque came the budget fiasco. In the run-up to the May 28, 1996, provincial election, Clark's government trumpeted the fact that its books would be in the black. A month after winning its narrow majority, the NDP was forced to admit there was no surplus, but rather a deficit of more than \$200 million. Many voters felt the NDP had "looked the books" and misled them about the province's financial health. The ensuing scandal led to a damning report by the B.C. auditor and an upcoming lawsuit filed by a citizen named David Stockill, which claims three NDP MLAs conspired fraud by misleading voters about the deficit.

Since then, one controversy has followed another: a premature of forest industry jobs gave up in striking, the \$280-million bailout of the money-losing Steena Colliery pulp mill, disputes over the expansion of the SkyTrain transit system in Greater Vancouver. More recently, attention has been focused on the first ferry cost overrun; increasing provincial debt; the \$900-million Vancouver convention centre, which may not get built due to conflicts over its cost and financing; and the RCMP's raid on the premier's home. "Everything Clark has touched has seemed to backfire," says Neilson Ruff, a political scientist at the University of Victoria. "Part of that comes from not looking into the future enough to see if the projects he is announcing can actually be achieved."

Clark says his new cabinet—which still features deputies such as Donogh and Health Minister Prentice—will try to "communicate more, deliver more and promise less." But observers say there are serious roadblocks that could impede the government's good intentions, including an upcoming report by the province's conflict-of-interest commissioner that will examine Clark's relationship with Marlin in the casino office, and the police investigation into the granting of the charity cause license. Last Thursday, it was revealed Clark filed a court application to quash the search warrants used to raid his home—which have remained sealed—a move that could keep the accounts for the police visit from public scrutiny.

Liberal Opposition Leader Gordon Campbell says it is "regretful so much attention is being paid to the NDP's shyness when the provincial economy is flourishing." It takes away the government's focus on actually solving the problems of British Columbians," he notes. But controversy over Clark's performance as premier and pressure on him to quit will likely continue to mount. "Whether the premier will listen is anyone's guess. He's probably parsing out the word that he's not going to go, and if he listens they'll have to take him out first fix," says one unhappy party member. That embarrassment could very well deray what little public support the NDP has left. ■



The unmarked Chinese vessel smuggling humans is a global issue

1987, 173 Sikhs from India arrived in Nova Scotia by freighter, and in 1986, 152 Sri Lankans were rescued from two lifeboats off the Newfoundland coast.) As in the previous incidents, conditions on the ship were appalling. The vessel was overcrowded and the 166 men and 17 women aboard were often hit by police or CFB Esquimaux near Victoria. Police are investigating 11 of the passengers, whom they believe may have been working for the smugglers. It is not known how many will apply for asylum in Canada. But of those who do, says Jim Fisher, a Vancouver police officer specializing in Asian crime, "they will likely drop out of sight and find their way into the United States."

In fact, nearly half of the 1,494 refugee claims made by Chinese nationals were abandoned last year after they disappeared. Only in the United States, like those on the ship, said Fisher, most of the illegal immigrants came from the Fujian province on China's southeast coast. Fisher, who is currently working with Criminal Intelligence Service Canada, an information-gathering organization made up of police experts from across Canada, believes that as many as 8,000 Fujianese who were smuggled into Canada are being illegally in Toronto, with smaller numbers in Vancouver and Calgary that the trail usually leads to New York City, where it is estimated that as many as 500,000 Fujianese are now living.

To slow the trade in humans, the immigration department plans to join with other countries to create an international computer bank to help track smugglers. And under Robillard's pending charges to the Immigration Act, police could seize the assets of smugglers, such as the strip clubs where the women brought to Ontario were working. Then, says experts before the Golden Mountain will continue to prove irresistible to desperate people around the world.

With John Suter in Toronto

Desperate journey

Authorities intercept a ship filled with illegal aliens

By Tom Fennell

Across China, North America is known as the Golden Mountain, where hard work can bring great wealth. Early in June, 125 men and women crammed into a rickety fishing boat off China's southeast coast and set out to find their fortune. For 39 days, their decrepit ship chugged across the Pacific, where it became little more than a floating canteen, at which one RCMP officer and snafled like a "dead body" when it was finally intercepted last week off the west coast of Vancouver Island. Most of the people onboard paid \$57,000 in Chinese gangs, and despite the expense and danger, more Chinese are expected to attempt the crossing. "They come to the Golden Mountain to support their families," said Moon Loh, past chairman of Sincos, a group in Vancouver that aids Chinese immigrants. "It's a matter of life or death."

The Chinese migrants had been swept up in what the United Nations

says is a \$13.6-billion industry trafficking in humans. Immigration Minister Lucienne Robillard is expected to introduce changes to the Immigration Act that will help slow the illegal trade both in Canada and abroad. But the new laws will have to tackle more than just Asian gangs. Last week, police in Ontario charged 59 people who had bought dreams of women as the province with offers of legal work. Instead, in this case and others, women from Hungary, Mexico, Thailand and China, who all claimed refugee status on arrival, were forced into prostitution. "This has become a global issue," said Sgt. Ian MacDonald of the RCMP's immigration branch in Ottawa. "People are sometimes held against their will."

The unmarked Chinese ship, with its cargo of 125 people, was spotted by a plane about 300 km north of Victoria. When the coast guard intercepted it, they discovered one of the largest smuggling operations in recent years. (In



The Games begin in Winnipeg

Athletes from 42 countries were on hand at Winnipeg Stadium for the opening of the 1997 Pan American Games. Canada's team was led in by Winnipeg cyclist Tanya Delydoff. Also participating in the opening ceremonies were several native athletes who had carried the official torch for the 1997 Winnipeg games but had not been allowed to bring it into the stadium. Last week, they took part in honored guests.

Quebec nurses reject a deal

Twenty-five days after beginning an illegal walkout on June 26, Quebec nurses rejected a proposed contract settlement with the provincial government, voting by 75 per cent against the deal. Money remained the issue: the Parti Québécois, which is facing other public sector contract negotiations this fall, refused to budge from its offer of a five-per-cent raise over three years, and a one-time, \$15-million catch-up pay package. The nurses were demanding six per cent over two years, with

the third year to be negotiated later. Confusion reigned in the wake of the vote. Some nurses announced to the picket lines, others, saying they had lost confidence in union leader Jeanne Stene and her negotiating team, reported for work. "We felt betrayed," said one. "That's the word—we felt like that." Six hundred union delegates, meanwhile, who had recommended acceptance of the agreement, met in a stormy meeting to consider their next course of action. Stene used the occasion to issue a plea for solidarity to the union's 47,500 members. The delegates decided to end the strike for now and seek mediation as their contract dispute.

Uproar over a missing military memo

Critics accused the Canadian Forces of a coverup when it was revealed that a memo by a military doctor—describing soldiers' exposure to toxic substances during the end-1990s despoiling mission in Bosnia—had disappeared from personnel files. Military brass, who deny that any such exposure took place, ordered an investigation man who tampered with the files and when the memo is important to soldiers who say they have suffered medical problems as a result of their service and are pursuing claims against the Forces.

Crime goes down

Statistics Canada reported that the 1996 crime rate—8,102 incidents per 100,000 people—is the lowest in almost 20 years. In 1988, the rate fell by 4.1 per cent, the seventh consecutive drop in as many years. The rate of homicides—3.8 per 100,000—was the lowest in 30 years.

Manning drops the gloves

Reform Leader Preston Manning took further aim at party dissidents, threatening disciplinary measures and warning of seceding if Reformers do not accept his vision of a United Alternative coalition with Tories. (In June, party members voted by 60.5 per cent to endorse the idea.) At week's end, Manitoba MP Jake Hodgson, one of Manning's most vocal critics, was suspended from the caucus.

Guilty swinger

The owner of L'Orage, a Montreal swingers' club, was found guilty of keeping a common bawdy house. Jean-Paul Labrecq, who had argued that no prostitution took place on his premises and that his clients were all consenting adults with the right to associate, is appealing. Police raided the club in March 1996, and charged 41 people with being found in a common bawdy house; those trials are on hold pending the appeal.

A manhunt ends

Police in Toronto said that skeletal remains found at the foot of a cliff in the east end of the city were those of Stephen Tassanar. He had been the object of an international manhunt since the April, 1996, murder of his co-writer, Bob Breen. Tassanar was also a suspect in an arson attack at his Toronto church.

Murder in Calgary

Police in Calgary charged Deborah Paine, 38, with the second-degree murder of her roommate, Audrey Trudeau, 44, who disappeared in February. Trudeau's chopped-up remains were found in boxes in a garage after police searched a stretch. The garage was owned by a woman who let friends use belongings there.

People Edited by Tanya Davies

A tartan noir

Ian Rankin is the pride of Scotland

Scottish crime writer Ian Rankin is the author of a best-selling novel. Or so feel the editors of *The Guinness Book of World Records*, who plan to include him in their next edition. When *Dead Seed*, which was just released in Canada, appeared on London best-seller list last winter, it triggered a burst of interest back in Scotland. So many Scots snuggled up Rankin's previous novel that his books took over a record eight of 10 spots on the Scottish National Best-Seller List (51 counts new and old releases alike).

Rankin's gritty thrillers are popular abroad for their labyrinthine plots and his gregarious lead character, Edinburgh Det. Insp. John Rebus. But at home, Rankin says, readers delight in seeing a realistic portrait of modern Scotland. "I wanted to deconstruct the *Brigade* image, to show Edinburgh as a living, breathing city, not a collection of monuments," the 39-year-old writer says of his home town, where he lives with his wife, Maranda, and two young sons. To that end, Rebus is based in a real Edinburgh police station, drinks in real pubs and visits real neighborhoods.

While touring Canada, Rankin has noticed a parallel with Scotland: two low-powered courtesies that unashamedly reject the influence, and seek the approval, of stronger nations to their south. One connection is in the matter of self-identification. "Ask a Canadian what a Canadian is and you'll get, 'Well, we're different from Americans,'" says Rankin. "Ask a Scot the same thing and he'll say, 'We're no' English.'"

Rankin, "I wanted to deconstruct the *Brigade* image."

All in the family

Hollywood's list of famous siblings —the Aquinos and the Baldwins to names couple—better make room for a Canadian brood: the Campbell-Nevins. The Campbell-Nevins, 25, has clearly found fame through her role in the popular television drama *Pity of Pity*, and in films such as *54* and *950 Hope*. But now the spotlight is moving to her older brother, Christian, 27, who stars in the upcoming feature film *Trick*, with Ted Danson. The movie was a hit at the Sundance Film Festival in March, making him the youngest boy in Hollywood.

Christian and Nevins—and younger brothers Darran and Alex—were

raised by theatrical parents in Guelph, Ont. Their mother, Marlene Nevins, ran a dinner theatre, while their father, Gerry Campbell, directed a community theatre. Involved in both since he was young, Christian was a well-seasoned actor when he entered Toronto's Ryerson Polytechnic University Theatre



Campbell rose to fame for his film role

School at age 19, but he dropped out after the first year. "I didn't really get the chance," he says with a smile. "He [his brother] moved to Los Angeles in 1995, and landed small roles in TV series and movies of the week. His love for the stage didn't disappear, though, and in 1997, he founded a theatre company called Blue Sphere Alliance."

In *Trick*, Campbell plays a gay writer looking for love. The straight actor expects some viewers to assume he's gay, but he isn't worried. "Where are the players?" he says. "When it's better to play a murderer than it is a loving person? Maybe he should pose the question to his sister, who not only starred in the sister film *Scenes*, but also is a cop."





Caroline Kennedy Schlossberg and daughter Tatiana at church family members returning from sea burial (left); Kennedy, Bessie Kennedy and Bessie Bessie the USS Buceo off Martha's Vineyard (right); leave-taking



Burial At Sea

A massive search locates the bodies of John F. Kennedy Jr., his wife and his sister-in-law

By Andrew Phillips
in Hyannis

As they waited last week for the inevitable confirmation that the most famous son of their fabled political dynasty was in fact gone, Americans were drawn to places with a special connection to the Kennedy family. They flocked to his sportsman's building in Manhattan, to Kennedy memorials around the country and to Arlington National Cemetery, where the eternal flame burns in memory of his father, the married president. They came also to a handsome brick building on Main Street in Hyannis, Mass., the town where Kennedys have summered for 70 years. Inside the John F. Kennedy Hyannis Museum are dozens of photographs of the family engaging in its legendary outdoor frolics—boating, golfing, swimming. Fifteen hand-drawn maps a day, four to five times the usual number, filled through, touching the photos and lingering longest by those picturing the little boy once known as John-John. On Wednesday, when they learned that his body had been found 35 in below the surface of the sea, museum officials put up a placard bearing words his father delivered back in 1962: "We are tied to the ocean," it read. "And when we go back to the sea...whether

it is to sail or to watch it...we are going back from whence we came."

Within 24 hours, the family of John F. Kennedy Jr., a man of grand lineage, golfing kudos and modest accomplishments, closed the circle. From the stern of a naval destroyer, the USS Buceo, they cast his ashes into the waves near the spot where his Piper Saragosa II, the six-seater plane he bought just three months ago, plunged to its destruction. The remains of the women who died with him—his wife, Carolyn Bessie Kennedy, and her sister Lauren Bessie—were placed at the water at the same time. Never before had the U.S. navy conducted a formal burial at sea for a private citizen with no record of military service. Top officials were unambitious about the reason: he was a Kennedy, the Kennedy of this generation. That did a great injustice to the ancient principles of inheritance and nobility.

The first kudos bakings confirmed Kennedy's passing at the age of only 38 as a totemic moment for the American people—at least that part of the American people still in touch to the Kennedy legacy or mesmerized by John Jr.'s potent combination of celebrity and history. First, a public memorial service at an Irish-Catholic cathedral in Manhattan. A thousand people—ordinary New Yorkers, not dignitaries—cramped inside while 3,000 more gathered outside. The next morning, a private service at St. Thomas More's

small Upper East Side church once attended by Jacqueline Kennedy Onassis, John Jr.'s mother. The Kennedys have long been divided on whether to play out their moments of joy or grief before the public or behind closed doors. John Kennedy's niece, Caroline Kennedy Schlossberg, the only surviving member of the family that embodied the Camelot moment in American life, successfully argued for keeping the mass celebrating the lives of her brother and his wife as private as possible. There were no cameras and the words used to pay tribute to the phenomenal couple were not recorded—until a minor miracle during a week that U.S. TV networks teemed with an itinerary usually reserved for moon landings and military victories over untold disasters.

Privacy, though, is relative. The dies of American political life, including President Bill Clinton, came to pay homage, and thousands lined nearby streets for a moment of connection with a lost legend. Senator Edward Kennedy, John Kennedy's uncle and the only one of that generation's four brothers whose life was not cut tragically short, eulogized him as the boy who "from his first day... seemed to belong not only to our family but to the American family."

Recent tragedies— from the death of Diana, Princess of Wales, two summers ago, to the high-school shooting in Littleton, Colo., just three months past—have provided a model of how to grieve publicly in the 1990s. The mourning for John F. Kennedy Jr. and the Bessies stars followed the template, with instant shrines of flowers, candles, balloons, hand-scrawled notes and poems. At the couple's building at 20 North Moore St. in Manhattan's Tribeca, a neighborhood of old warhorses converted into trendy loft apartments, thousands laid tributes. "Come home, John," "Has anyone seen my old friend John-John?" "They will soar on wings like eagles," And, unthinkingly: "Good night, sweet prince."

In Hyannis, three kilometers from the gracious old beach houses known collectively as the Kennedy compound in a section called Hyannisport, others gathered at a memorial to President Kennedy, an iron plaque bearing his profile and flanked by stone walls. They laid their flowers and cards on a low ledge. "John, Carolyn, Lauren—you will not be forgotten," read one. "John—we hardly knew ye! God bless," said another. A young girl named Anna Camillo placed a small oddie bear on a note saying, "I am so sorry that this happened. This is very, very sad." Another card, placed by a family from "near the day after the world learned that Kennedy's plane was missing, read: "There is always hope! He did not be stranded on an island for a week. We are hoping and praying for you all."

Of course, it was not to be. By late Sunday night, 48 hours

after the plane failed to land as scheduled on the island of Martha's Vineyard off Cape Cod, searchers had given up hope of finding survivors. Under normal circumstances, they would have ended their operation right there. The U.S. Coast Guard almost never undertakes the expensive and risky business of recovering a private plane. But by then the White House was directly involved. Clinton himself directed the coast guard to keep looking. At first it was a daunting task, spreading over scores of square kilometers. By Tuesday, though, searchers had focused on a small area 12 km southwest of Martha's Vineyard. Air traffic control stations had tracked Kennedy's plane along its final turn from Essex County Airport in Fairfield, N.J., along the coast of Connecticut and Rhode Island towards Cape Cod. Gathering the radar readings, experts from the National Transportation Safety Board pinpointed the most likely splash point.

Late Tuesday night, they found the wreckage. A seriously



Kennedy family members with the casket of one of the victims: splash point

Morgan Stanley Dean Witter in New York City. By 4:30 p.m. on Wednesday, their remains had been raised to the surface.

Searchers recovered most of the plane, as well, which will help crash investigators figure out exactly why Kennedy and the Bosmans never made it to Martha's Vineyard. Most of the fuselage, a piece 2.5 to three meters long, was found near the wings and tail were torn off. Experts transferred the wreckage to an air base on Cape Cod, where they will reconstruct the plane and try to determine whether it suffered mechanical failure. Among other things, they will try to assess the engine to establish that it was still in working order.

Investigators were also tracing Kennedy's final day, the kind of flight training he had, and his plane's maintenance record. He was an enthusiastic but inexperienced pilot, who acquired his license 15 months ago and was used to flying only so-called visual flight rules. That means he had to rely on what he could see out the cockpit window to maintain his course and orientation. Fellow pilots and flight instructors and last week that Kennedy was a careful pilot who tried to fly every weekend. But a close friend, John Perry Barlow, recalls that after Kennedy crashed a paraglider in late June and broke his left ankle, he urged him to see it as a warning. "You know just

Night and final reborn at the couple's 30th-Celebration
Good night, sweet peace"

enough to be dangerous," Barlow warned Kennedy, according to *The Washington Post*. "You have confidence in the air, which could harm you. You're going to find yourself flying in inclement conditions because you think you can."

All the evidence that emerged last week suggested that a most likely what happened. On Monday, July 12, still wearing an ankle cast, he flew his plane with a co-pilot to Buzzards Bay just north of Toronto to meet with officials of Magna International Inc., including vice-president Kevin Stuenkel and Belinda Stuenkel, daughter of the company's founder, Frank Stuenkel. Kennedy was asking the big two-part matter for funding for his investment political magazine, *Globe*, which is still not profitable four years after he founded it. Stuenkel recalled how Kennedy explained that he needed a co-pilot to help operate the plane's foot pedals. "He was heaping around, and couldn't put any pressure on his ankle," Stuenkel said. "He was clearly panicked about flying."

The following Thursday, Kennedy had the cast removed, and decided to fly to the next evening to Martha's Vineyard. His plan was to drop off his three-in-laws, Lauren, there and fly on to Hyannis, where the Kennedys were gathering for the wedding of his cousin Rory, the late Robert F. Kennedy's youngest daughter. By last week, investigators were able to piece together the path of the final flight with great precision from radar records. Kennedy did not file a flight plan (and was not required to do so).

He took off at 8:38 p.m., a few minutes after sunset. At 9:33 p.m. the plane was at 1,700 m, 54 km west of Martha's Vineyard airport, and descending at a normal rate of 212 m per minute. Its descent continued for five minutes,



so at an altitude of 780 m. The plane started turning right and climbed to 790 m. Moments later, after a series of further turns, it plunged towards the water at a speed of at least 1,500 m per minute—or 90 km/h. The last radar reading located Kennedy 26 km from the airport at an altitude of 335 m. It was precisely 34 seconds after 9:40 p.m. The three passengers had no more than 10 seconds to live. Medical examiners said the impact with the water—on an unprepared

as concave at that speed—killed them immediately.

No one knows exactly what went wrong. But aviation experts quickly concluded that the flight fit a common pattern for inexperienced pilots, who can easily become disoriented and lose control, especially in bad weather or at night. The final moments—a sea of coastal plunges towards water—matched the so-called death spiral that can occur a pilot unable to quickly use his airplane instruments to get out of trouble. "It's easy to teach even a seven-year-old to physically fly a plane," said Warren Montague, spokesman for the Aircraft Owners and Pilot Association near Baltimore, which lobbies for private plane operation. "The more important part to pass on is pilot decision-making, to make sure they can assess their own training and capabilities, those of their aircraft, and the weather to make a decision as to what makes a safe flight."

In just a few months, investigators will report on what they think happened. For those who mourned last week, it will not be all that important. They paid tribute to a symbol and to something that John Kennedy's uncle, Edward, poignantly underlined in his farewell speech at St. Thomas More Church. "He had only just begun," the senator said of his nephew. "There was so much a promise of things to come."

With Susan Chit in Toronto

Investigators will look for any signs of mechanical failure

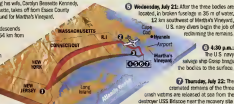
operated underwater vehicle lowered by a navy salvage vessel, the USS Grasp, identified the remains of the plane on the ocean floor at 11:40 p.m. Using a TV camera on the vehicle, searchers aboard the Grasp spotted the Piper Saratoga registration number, N9253N, and Kennedy's flight strapped into the overturned fuselage. The next morning, two navy divers descended in the wreck and located the bodies of Carolyn Besette Kennedy, his fashion-icon wife who was just 35, and her 34-year-old sister Lauren, an investment banker at

The flight, the search, the service

1 Friday, July 18, 8:38 p.m.: The Piper Saratoga piloted by John F. Kennedy Jr., carrying his wife, Carolyn Besette Kennedy, and her sister Lauren Besette, takes off from Essex County Airport in Fairfield, N.J., bound for Martha's Vineyard.

2 9:38 p.m.: The plane descends from 1,700 m to 700 m, 54 km from their destination.

3 9:38 p.m.: 30 km from the airport, the plane turns right, climbs to almost 800 m and levels off for a minute, then turns left, towards the east.



4 9:40 p.m.: The plane turns right again, begins a rapid descent and disappears from radar screens 26 km from the airport.

5 Wednesday, July 21: After the three bodies are located, in broken fuselage in 36 m of water, 12 km southwest of Martha's Vineyard, U.S. navy divers begin the job of recovering the remains.

6 4:30 p.m.: The U.S. navy salvage ship Combs brings the bodies to the surface.

7 Thursday, July 22: The cremated remains of the three crash victims are released at sea from the destroyer USS Blueback near the recovery site.

Regulations and risks in the night sky

John F. Kennedy Jr. would most likely not have been allowed to make that fateful night flight if he had been a Canadian pilot with—as he had—only an initial private license. "You might say our requirements are a lot more stringent in Canada," says Ken Mansfield, a spokesman for Transport Canada. It takes a minimum of 15 to 20 hours of special training on top of a basic license to

be certified to fly at night in Canada. In the United States, nighttime flying privileges are included in the basic private license. Canadian pilots also need to complete five night takeoffs and landings in the previous six months in order to take passengers up after dark. U.S. regulations call for three previous night flights within 90 days. Further, Canadian pilots must file a flight plan—in case a search and

rescue mission is needed urgently—for any flight covering more than 25 nautical miles (46.5 km). There is no such requirement south of the border. But in either country, flying solo is left mostly to the commanding pilot's hands. "The danger," says Linda Owen, a chief flight instructor at the Calgary Flight Centre, "is in not being able to recognize if you are exposing yourself to a risky situation."

Susan Chit



Back to the garden 30 years after

More than 200,000 people flocked to a former air force base near Rome, N.Y., for three days of music at Woodstock '96. Featuring nearly 50 acts, including Alanis Morissette and The Tragically Hip, it was staged 30 years after the famed celebration of peace and love in a former's field 120 km away.

Shuttle launched, pioneers honoured

Twice delayed by weather and a technical glitch, the space shuttle *Columbia* blasted into a five-day orbit on Friday, capping a historic week in the U.S. space program. Under the direction of the first female shuttle commander, Col. Eileen Collins, the five-member crew launched the \$2.3-billion *Columbia* X-ray Observatory into orbit. At 22,000 kg, the powerful X-ray telescope is the heaviest payload ever transported by a shuttle. Astronomers expect the *Columbia* to help them learn more about the mysterious dark mat-

ter that is believed to fill the universe, and better determine the distance to celestial objects. It will also search for black holes and new galaxies, quasars and exploded stars.

Earlier in the week, on the 30th anniversary of the first landing on the moon, the three crew members of the *Apollo 11* mission received the prestigious Langley Gold Medal for aviation. First goes to the Wright brothers in 1909. Neil Armstrong, the first man to walk on the moon, Edwin A. (Buzz) Aldrin and Michael Collins "blasted a path faster than any we have known," said Vice-President Al Gore in ceremonies at the Smithsonian Air and Space Museum in Washington.

Death of a Mideast peace broker

Moroccan television and radio stations stopped regular programming and broadcast readings from the Koran when King Hassan, shuttleman monarch for 38 years, died of a heart attack in a Rabat hospital. The king, 76, was recorded by his son, Crown Prince Sultan Muhammad. Hassan was revered as a descendant of the prophet Muhammad. He helped bring about the 1979 peace treaty between Israel and Egypt and subsequent agreements between Israel and the Palestine Liberation Organization and with Jordan.

Massacre in Kosovo

Fourteen Serb farmers were shot dead in the bloodiest single attack in Kosovo since NATO peacekeepers arrived in mid-June. The massacre was believed to be the work of ethnic Albanian extremists. Meanwhile, NATO officials accused factions of the Kosovo Liberation Army of hiding stockpiles of weapons in anticipation of the mid-September deadline for disarmament.

The quest for peace

Israeli Prime Minister Ehud Barak held talks in Washington and London, then resumed negotiations with Palestinian leader Yasser Arafat. Barak also planned sessions with Egyptian President Hosni Mubarak and Jordan's King Abdullah. Expected in May, the Israeli leader has set a goal of completing peace talks with the Palestinians and Syria within 15 months.

A fatal Japanese hijacking

A 28-year-old man wielding a 20-cm knife forced his way into the cockpit of an All Nippon Airways jumbo jet in flight and snubbed the pilot finally in the neck and shoulder. He briefly flew the Boeing 747 before being overpowerd by crew members.

Body in a suitcase

Police in London reportedly arrested Yasir Arafat, wanted in connection with the murder of Yitzhak Rabin, 28, a Mossad agent whose stabbed body was found stuffed into a suitcase at London's Heathrow Airport. Witnesses say they saw Arafat with a suitcase leaving the London building where Rabin was staying on the night he disappeared. British police also accused Arafat's brother, Abdel, who had rented an apartment to Rabin, and charged him with assisting an offender.

Reviewing the accord

Former U.S. senator George Mitchell, who brokered the 1998 Good Friday accord to bring peace to Northern Ireland, is attempting to revise the stalled process. While the Irish Republican Army has refused to disarm before taking its place in a provincial government, Protestants will not sit with the IRA unless it hands in its guns.

Business

Pursuing Bre-X billions

Victims of the huge gold fraud fight an uphill battle for redress

By Kimberley Noble

Gaston Rajakumar is the epitome of a cautious investor. The Calgary accountant prides himself on making no rash moves: a federal civil servant, Rajakumar says he has never bought anything that looked in the least speculative. "I'm always careful," he says. So much so that after Rajakumar decided to buy shares in high-flying Bre-X Minerals Ltd. back in the spring of 1996, he kept measuring his exposure. He read constantly and collected an enormous pile of promotional literature—including a 20-page booklet published by TD Securities Inc. in the fall of 1996, setting forth the reasons why TD's brokerage clients should load up on Bre-X stock. Rajakumar says he had been thinking of selling his Bre-X shares at that time—and taking a 50-per-cent profit—

but, heeding the advice in the booklet, he increased his holdings instead, until he had invested what he will only say was "over \$10,000." "I listen to this," Rajakumar says, reading from the booklet: "We are entering our century of 3000 (Bre-X) with a *BUFF* and momentum the company." Bre-X is "the most high-quality, highly liquid gold producer." The Bre-X gold field on the Indonesian island of Batuwa "is a world-class gold deposit which is expected to be developed into one of the largest, lowest-cost gold-mining operations in the world." Rajakumar chuckles. "I think," he says, "they would like to disown this document."

Of course they would. And they would be alone. These days, all the players in the Bre-X scandal are doing their best to pretend that the biggest stock market fraud in history didn't happen—or, if it did, that they weren't responsible for any of it. The investment dealers who promoted the stock, the big gold producers who fought to become Bre-X's partners,



Stratberg in his office: the police struck out and the courts are not being helpful

and even the officers and directors of the now-bankrupt Calgary company have all spent the past two years putting enormous distance between themselves and everything that occurred in Indonesia in those years when Bre-X stock went from selling for pennies to hundreds of dollars a share, before falling back to pennies again.

This is a natural corporate behavior. Who wouldn't want to cover their butt? What disaster forces Bre-X investors who sell all the big players seem to be succumbing. Events of the past few weeks—first stunned criminal investigations to acknowledge events—have left Rajakumar and others like him fearing that the loss will be blamed entirely on Bre-X golfer Michael de Guzman, and possibly chief executive and chairman David Walsh, he told. Everyone else walks away clean, leaving the victims holding an empty bag.

It is not just investors who are frustrated. The complications arising from efforts to investigate and prosecute perpetrators of the Bre-X scandal are becoming almost as much of a mine as the original fraud. Big money and even bigger reputations are at stake—and everybody involved with this measure, expensive, time-consuming tangle has a different theory about the best way to proceed. "This is a very large, very delicate, complex situation," says John Campese, lawyer for the Bank of Montreal's Nelson Burns Inc. "It has enormous

financial industry consequences."

Lawyers and investigators estimate that thousands of victims have lost somewhere between \$1 billion and \$3 billion as Bre-X shares tumbled from a high of \$286.50 in May, 1996, to 9 cents when the Toronto Stock Exchange delisted Bre-X a year later. Windsor, Ont., litigation lawyer Harvey Smolberg, who is representing a Canadian class-action lawsuit, says he has met victims who have lost anywhere from \$2,500 to hundreds of thousands of dollars. "I have talked to people who have lost \$8,000 when that was all they had to lose," Smolberg says. "Then, you have to remember," he adds, the people behind the fraud "robbed every pension fund in the country that invested in Bre-X."

But after two years of interviewing witnesses in Canada, Indonesia and the Philippines—and sifting 600,000 documents into a state-of-the-art computer system—the Royal Canadian Mounted Police announced in May that it had failed to turn up enough evidence to lay criminal charges. It has instead as 11-member task force to a single inspector who will continue to conduct the occasional interviews. RCMP Insp. Peter Macaulay, the remaining investigator, says there was no way around it. "We haven't had the file down," he told *Maclean's*. "But we've



Rajakumar, the ex-Bre-X broker's adviser

brokerage or engineering firms for the role they played in establishing Bre-X's credibility. In Texas, Federal Judge David Feldman has excluded Canadian witnesses from the U.S. lawsuit, although he is allowing their lawyers to provide him with additional information if they think it might change his mind. But that may not help. On July 13, Judge Feldman struck broker Nabiel Burns, engineering giant SNC-Lavalin Inc. of Montreal, New York City investment bankers J.P. Morgan & Co. Inc. and Lehman Brothers Inc., as well as Toronto-based Barrick Gold Corp. from the list of defendants. The Calgary lawsuit is on hold while Dodson and his clients wait to see what happens in other jurisdictions.

This scenario's rulings—and flurries of appeals—are being filed—again that at the moment the only entities that the investors can pursue are Bre-X, and the former company Bre-X Resources Ltd., and its officers and directors, including Feldman in the Cayman Islands and Walsh and Joanne, in the Bahamas. Although the action has been stayed against Joanne Walsh in Toronto, she answered in the Calgary and Texas suits it remains to be seen which of the two most prominent lawsuits—Ontario or Texas—will emerge as the main event. Smolberg argues that his case suffers only with jurisdiction, but many Bre-X victims would rather see their case argued before a sympathetic Texas jury. "That, if anything, is where we'll get our money back," says Rajakumar. But he's not optimistic. "Right now, I am holding out a one-per-cent hope."

Privately, he has resorted to a more practical method of reducing his loss. When the share price crashed, Rajakumar's TD bankers billed their client for \$6,000—the amount needed to cover Bre-X trading losses in his TD Gains Line account. He refused to cough up the cash. "I told them, 'Look, I'll wait for the outcome, and then we can decide who should pay,'" he says. The bank filed suit against him. Rajakumar counter-sued. TD then suggested they both drop their lawsuits. Again, Rajakumar refused, deciding that this might be the device he goes to forcing his bank to foot up its role in Bre-X. "It's a matter of principle," he insists. "We put a lot of trust in these people. And they put us into the biggest scam I have ever seen." ■



Deirdre McMurdy

A dynamic duo decamps

Anand Bahl and Kim Cameron have no regrets. Despite the intense hand-writing about Canada's "titan duo," the passion was unabashedly fueled to be part of the exodus of high-tech talent to the United States. The pair and another partner just sold their privately owned software company, Zoomit Corp. of Toronto, to Microsoft for an undisclosed amount. "We weren't looking for a buyer," explains Cameron. "But Microsoft picked up the buzz about us from some of their big clients, and they approached us." Adds Bahl, "It's a compliment to be bought out; it validates the success of our technology."

Over the past several months, intense industry competition, combined with a weak Canadian currency, have "valued" a spring of homegrown software ventures. Last week, Hardhat Technologies Inc. of Vancouver was acquired by Broadcom Corp. of California, for \$414 million. In June, Microsoft bought out ShadowFactor Software Inc. of Waterloo, Ont., for an undisclosed amount. These transactions, along with dire pronouncements from business leaders, have heightened public concern that Canada's personal and corporate tax structure is driving the brightest minds south.

Bahl and Cameron are quick to dispel those fears. They argue that a lucrative buyer has fired them to pursue new, lesser-funded projects. Bahl is already redeploying some of his capital in a fledgling Canadian venture in which bio-tech technology is used to reduce the stress of computer users. Bahl insists that in a takeover such as theirs, "the energy released is actually conserved in the economy." Adds Cameron: "Whether as a form of energy, people just don't always act that way."

The metaphysical slant on a business issue is typical of the two partners. In conversation, Bahl, 35, and Cameron, 31, tend to find one another's sentences. And they are just as comfortable talking about sophisticated technology as they are discussing the subjective price of maple. At lunch, while Cameron is examining the wine list, Bahl whips up a career prediction of his choice (a Bordeaux). They both order the same mushroom omelette. Twice a year, the two engineers vacation together with their families.

Their bond has been forged over time and through adversity. The two, both longtime computer fanatics, worked together at George Brown College in Toronto. In 1984, they decided to form a consultancy, developing and refining software for various clients. After some success, they decided to write and market their own computer products.

One of the first developments they brought to market was a

high-speed electronic mail system. The problem was, Bahl and Cameron flourished when it came to the marketing. "We didn't properly understand the industry and its structure," admits Bahl. "By the time we realized what we had, we had missed the opportunity."

From the e-mail system came the "meta-directory," the software program that has just been acquired by Microsoft. The directory allows companies to integrate and reimage a variety of related computer files, images and applications—all from different suppliers. The technology is unique because it breaks away from the practice of locking customers in with proprietary technology and allows diverse systems to work together. For Microsoft, which has always been intent on consulting users at every turn, the Zoomit investment is a radical departure. Cameron will be moving to Microsoft headquarters in Redmond, Wash.—along with 11 of Zoomit's 30 employees—to work on integrating meta-directory software into Windows 2000. Bahl will stay in Toronto and their Victoria-based partner Barry McPhail will remain at his office.

The acceptance from the world's largest and most powerful software firm is especially sweet because Bahl and Cameron had such a struggle to win backing for their product. "We couldn't get a date of financing in Canada," says Bahl. "Very few people understood the technology and those who did expected us to get beaten by a bigger player and wiped out."

The two criticize the attitude they encountered in Canada. "If it were developed here, Canadian companies assumed the product wasn't good enough," says Bahl. Stalled in the business market, Zoomit was forced to focus on the United States. The partners were astonished by their rapid acceptance and success: about 90 per cent of their sales revenue now comes from large American companies.

Despite that experience, the partners are quick to defend Canada's record for innovation and public-sector support for start-up companies. They say government research credits were crucial in building Zoomit. Furthermore, Bahl and Cameron estimate that Canada's medicare and social security systems also contributed to their success, saving Zoomit about 20 per cent of the employee costs it would have faced in the United States.

The two are also passionate boosters of Canada's pool of high-tech human resources. "We've got world-class programming talent," says Cameron. "We just need to believe in it and give them a chance. Talent is one of the few things Canada will soon have left." Until Microsoft comes to call, that is.

None of the players in the Bre-X scandal will accept responsibility for investors' losses

come to a dead end, and we've called it the way it is."

The virtual repudiation of the criminal investigation was greeted with howls of protest from Bre-X shareholders. "Obviously, the Mountain didn't always get their man any more," says Ben Roache, a former Bre-X shareholder from Ottawa. "I am disappointed," Macaulay responds. "But there is nothing I can do about it." One of the biggest problems, he says, is all the civil lawsuits. Investors who are not implicated in the criminal probe refuse to assist the RCMP in the grounds that their evidence could be used against them in the civil proceedings.

The Ontario Securities Commission has fired little heat from the Mountain. It wound down its own investigation this spring by taking action against a single individual. Former Bre-X vice-chairman and top geologist John Feldhof has been charged with various counts of insider trading and securities fraud. Feldhof has repeatedly denied any wrongdoing.

This leaves Bre-X enemies worldwide relying on civil rather than criminal prosecutions to provide them with some hope of justice. The original crime civil suits, of which five were filed in Canadian courts in Edmonton, N.W.T., so Vancouver, have been pared down to three major cases: the class action mounted by Smolberg, known as Canadian legal circles as "the

CPR chops 1,900 jobs

The railway company that drove the last spike in the train track spanning the country has announced a massive layoff of western Canadian Pacific Railway last week unveiled a plan to slash 1,900 jobs or 10 per cent of its North American workforce of 19,000 by the end of next year. The move is an indication of the cutthroat competitiveness in the continental rail industry and the stock market pressure for profits. Bob Ritchie, the president and chief executive of CPR, told a Calgary news conference that the reductions would save \$300 million a year. The company had no choice, he said, because "competition is relentless."

The Greenspan effect



U.S. Federal Reserve Board chairman Alan Greenspan raised the spectre of higher interest rates, pledging to "act promptly and forcefully" to stem inflation. His words sent a chill through stock markets around the world and caused the loonie to fall to 66.32 cents (U.S.), its lowest level since March.

Financial outlook

Frustration has grown as gasoline prices continued to climb at filling stations across the country. So far this summer, St. John's, Nfld., residents

have faced the highest average price at Canadian pumps—69 cents per litre. In some border communities, motorists are crowding in down to tap up on U.S. gasoline, which is cheaper despite a weaker Canadian dollar (Per instance, Buffalo, N.Y., is selling gas for the equivalent of 69 cents a litre). Many politicians and consumer watch prices fret, but they may be in for a shock. As summer gasoline consumption abates, prices usually decline. But with OPEC's decision last March to boost oil prices by cutting production, this fall, prices may only dip slightly, remaining high into the winter.

Auto talks revving up

The Canadian Auto Workers began talks with the Big Three automakers last week, suggesting Ford of Canada could be a main strike target. But CAW president Buzz Haggrove had kinder words for DaimlerChrysler Canada, saying the firm appears to support the union's request that auto parts giant Magna International not interfere with efforts to organize its plants. A DaimlerChrysler spokesman said the company simply encouraged the two sides to meet.

Suit slaps First Marathon

In what appears to be the first lawsuit of its kind in Canada, a lawyer has filed a class action suit against First Marathon Inc., arguing that the brokerage sold itself too cheaply to the National Bank of Canada. The class action seeks \$300 million for Toronto investors, and aims to represent all those who held stock in the brokerage when the buy-out was announced on June 17. First Marathon says the deal is closed.

Scotiabank ups its stake

The Bank of Nova Scotia is buying an additional 32 per cent of Chile's Banco Sud Americano, increasing its stake to 64.6 per cent. While the \$176.3-million investment fits Scotiabank's expansion into Latin America, some analysts expressed concern about the Chilean bank's underperforming loans.

Japanese recovery slows

The director of Japan's economic planning agency has thrown some cold water on his country's economic recovery. Tadao Saito says that while the gross domestic product grew 1.9 per cent in the first quarter, it appears to have shrunk in the April-June quarter.

A woman of influence

Carly Fortino, 44, has been named chief executive of California-based Hewlett-Packard Co., becoming the first woman to head one of the 30 companies listed in the Dow Jones industrial average. Fortino, whose Fortino & Fortino recently dubbed the most powerful woman in American business, is leaving Lucent Technologies Inc. where she was a top executive.



Ross Laver

A few years ago, when the Internet was in its infancy, ideologists dreamed that it would become a force for greater world harmony. Well, dream on. In today's business world, at best, the Web more closely resembles a high-tech war zone, only the biggest and strongest can hope to survive.

Steve McDonald is about to find that out the hard way. As chief executive officer of TD Waterhouse Group, Inc., the Toronto Dominion Bank's newly renamed discount broker, McDonald is poised to take on some of the toughest competitors in the online arena, companies such as E*Trade Group Inc., Charles Schwab & Co., Fidelity Brokerage Services Inc. and Datsch Online Holding Corp. Soon, these combatants will be joined by the megabank brokerage of all: Merrill Lynch & Co., which plans to launch its own Internet trading service by the end of the year.

This is more than a clash over some online market. Simply put, online trading has emerged as one of the fastest-growing categories of e-commerce. This year in North America, Internet-based brokerages are projected to earn \$8.7 billion in commissions and interest-spread income, according to a study published last week by the Toronto office of The Boston Consulting Group. That's 15 per cent of the total retail market for brokerage services, up from 9.8 per cent in 1998.

And the pace of growth is accelerating. By the end of the next decade, online brokers are expected to handle at least half of all the world's retail stock trading. The betting is that most of that business will be controlled by a handful of global players, companies with the resources and broad recognition to compete in every major country and securities market.

Will TD Waterhouse be among the guns? An impartial observer might consider it a long shot. But McDonald and his associates do have several things going for them. TD Waterhouse, formerly known as Canada's Green Line Investor Services, is currently the world's second-largest discount broker, with 2.6 million accounts and more than \$105 billion in customer assets in the United States, Canada, Britain, Hong Kong and Australia. Ranked by the volume of online trading activity, it's number 3, behind Schwab and E*Trade, both of which are based in California.

Ready, aim, click

It's an impressive start, but McDonald already knows the fight is just beginning. That's why he and his colleagues have been working overtime to reorganize TD's brokerage operations. The first, and most visible change was the decision to drop the Green Line name in favour of Waterhouse, a New York City-based discount brokerage acquired by the bank in 1996. "In this world, people don't have time for multiple brands and confusing messages," says McDonald, who lives in Toronto but

now spends three or four days a week at TD Waterhouse's head office on Wall Street. "We're selling a consumer product, so we need a single name to get across the message that we want to be a global player."

Step two was TD's decision to spin off the brokerage last month in a \$1.5-billion share issue, the largest Internet-related initial public offering in the history of the New York Stock Exchange. Above a third of the proceeds went to help repay TD's investment in the business (the bank still owns 88.5 per cent of TD Waterhouse). The rest will be used to finance future growth. Already, there is talk of expanding into Japan, France and Germany, countries where online trading is just beginning to take off. "One of the things we have to manage carefully is the pace of growth, be-



McDonald, negotiating a global market

cause each new market is a lot of work and requires a different approach," McDonald says. "Our solution is to focus on the big markets first and grow from there."

If only it were that simple. In its traditional market, TD Bank can do fine to move cautiously today and avoiding each new product before selling it out nationally. In the realm of e-commerce, however, that's a recipe for extinction. The winners so far—such as such as America Online, Amazon.com and E*Trade—have been hyperactive risk-takers that are not afraid to go deep into the red to gain market share.

To promote its new identity, TD Waterhouse plans to spend at least \$150 million this year on advertising, twice as much as in 1998 but still about a third of E*Trade's current ad budget. The new campaign is set to begin in September; between now and then McDonald won't be getting much downtime. "We have no children and my wife is used to not seeing me much during the work season," he says. Just as well, because the Web war can be all-consuming.



Diane Francis

Professors spouting nonsense

Two expatriate Canadians returned from the United States to Toronto recently to be married at a pre-wedding at the National Club. The bride's father was Sam Wilson, a lawyer, corporate director and bond trader and former bagman for Brian Mulroney, who attended the wedding. One guest told me afterwards that Wilson toast to his daughter included some very emotional remarks about the country's brain drain. Wilson began by saying how wonderful it was that so many friends and relatives had travelled long distances to be at the wedding and how great it was that the couple, who will be living in Chicago where his son-in-law has a job at a private equity firm, came home to marry. But he added that it was unfortunate that there were more opportunities to be found south of the border for so many Canadians.

The drain of talent has always been a problem for Canada, from utopian Alexander Graham Bell to economist John Kenneth Galbraith and countless others in business, the arts or academia. Recently, the cause is usually the same: Canada's overeducation of the able and ambitious, both directly and indirectly. Even when people move for better opportunities, those opportunities exist because tax rates are low and health care is free.

When taxpayers have more money left over to spend, they either spend it or invest it. Either way goods, services, jobs and opportunities result. When governments have too much of our money, as is the case in Canada, they spend too much on themselves, on building political careers, or on providing services that duplicate those delivered by other governments.

Even so, a group of Canadian academics who waded into the brain drain debate, and branded as bunk those brain drain fears and accompanying calls for tax cuts to create incentives and opportunities. In a July 13 report, the Canadian Association of University Teachers claimed the brain drain is an issue created by business groups as part of their right-wing, neo-conservative agenda. Their argument is worth repeating: it only because they show that those professions are not very bright and that, more frightening for our youth, are nothing more than a bunch of left-wing ideologues who collectively spout nonsense.

They say that immigrants to Canada outnumber emigrants to the United States, so there is no net loss. Of course, a strictly quantitative approach to migration flows is totally wrongheaded. As anyone knows, quality counts and the loss of just a few of our best minds every year costs the country exponentially in terms of economic growth and further opportunities. Next, the teachers say that over those skilled

Canadians who leave do so because of better pay and more job opportunities rather than to escape Canadian taxes.

Let's take the pay issue first. If U.S. taxes are lower for high-income people, which they demonstrably are, then their take-home pay is higher. Add to that higher pay scales because of dramatically lower unemployment rates, and you get a double incentive of higher wages and higher take-home pay.

Let's take about opportunities. Take the case of fellow academic John Kenneth Galbraith. I'm sure he did not emigrate for money. After getting his PhD at the University of California at Berkeley, he went to teach at Harvard University because it is a world-class institution. But it remains a world-class institution because many of its alumni are very wealthy and very generous, thanks to huge tax breaks given to rich American benefactors. Harvard's \$19-billion endowment and ongoing funding from private sources also enable the university to attract and keep exceptional like Galbraith because it can support other academic institutions, it can finance their research and it can continue to invest in itself to remain a world centre of excellence, thus ensuring an attractive professional environment.

Clearly, the CAUT professors don't understand the highly competitive private sector, notably in the high-tech area. Nori Nemetsko Corp's CEO, John Roth, for one, warned at this year's annual meeting that higher Canadian taxes are leading to his employees leaving for the United States and that the company faces difficulties attracting replacement talent because our taxes are too high.

Then there's the unaccountable future outflow. The number of Canadians enrolled in American colleges and universities reached 23,000 by 1997, the latest year for which figures are available. By contrast, there were only 18,000 Canadians enrolled in U.S. universities just 10 years earlier. If all returned home that would be a plus. But the fact is that many if not most of them will stay because they will be making valuable American personal and business contacts or be recruited by U.S. firms.

Canada's economy has been totally warped and wounded because taxes are too high. Unless tax parity is reached with the United States, we will continue to lose our Bells and Galbraiths and Canadian versions of Bill Gates without replacing them. And as Wilson, the Toronto father of the bride, pointed out, the brain drain also represents a real emotional loss as families are divided. Canada must solve this problem through massive tax cuts or continue to be the principal firm sponsor for talent going to the United States.

Finally—a "cure" for bad breath!

For years, the cause of chronic bad breath has been misunderstood, but a dentist's research has led to TheraBreath™, a dramatic treatment system that works naturally and effectively.

by Joan Williams



Three days, people spend a great deal of time on their health and fitness. Exercise, nutrition and an emphasis on general wellness are important to people not only for medical reasons, but because one can't live without them. Everyone wants to feel and look their best. Unfortunately, many people around the world suffer from a condition that cannot be cured at a hospital, clinic, spa or even a beauty salon.

It is estimated that over 100 million people worldwide suffer from bad breath, or halitosis. In the past, treatment has consisted of brushing the teeth with toothpaste or rinsing the mouth with alcohol-based rinses, or the latest option, popping pills that claim to cure the problem in the stomach. None of these treatments work because halitosis is caused by bacteria on the back of the tongue and upper throat that produce noxious gases. The way to stop bad breath is to stop the bacteria, and that is the secret behind the revolutionary TheraBreath™ system.

You're the last to know.

Secure behind a megaphone in the mouth, it is virtually undetectable by your own sense of smell. But many notice a stinging, an odor, or a white coating on the back of your tongue, but you generally try to live with it.

TheraBreath is a problem solver for a family member, friend or colleague who brings it to your attention. At that point, you need a solution that is effective, long-lasting and easy-to-use method of eliminating the problem. TheraBreath's proprietary, non-invasive, chronic bad breath can lead to a loss of confidence and self-esteem, and it can even result in depression.

The problem can adversely affect your marriage, social life, career and relationships with family members. What is needed is a quick and effective treatment that works naturally, with no side effects.

HOW IT WORKS

We all have natural bacteria that live on the back of the tongue and aid in digestion. Under certain conditions, these bacteria will break down proteins and lipids in the mouth, which create odor and bad taste.



Whether, you are self-aware, or a friend or family member notices, Dr. Katz has perfected a two-step program for eliminating halitosis by using these products in a regular routine, chronic halitosis sufferers can find these products and their guide.

Oral-Vital™ (A Proprietary Oxygenating Formula), the active ingredient in TheraBreath, transforms these odor-causing bacteria to bacteria, which have no taste or odor.

To taste the difference, TheraBreath has a mild, pleasant, neutral flavor. It contains no chemicals, so you will not suffer from an increase in cancer risks or any other side

effect. TheraBreath's problem solver is an effective, safe and easy-to-use solution to a troubling problem. You don't just take time to live with it. Try this product for yourself with one risk-free bottle. If you are not fully satisfied, just return a within 30 days for a full refund.



effects. These products are natural and simply introduce a greater amount of oxygen into the mouth to eliminate a chronic condition.

Dear Dr. Katz, Our son has had a breath problem for years. He tried mouthwashes and mouth sprays. We took him to doctors and dentists, and even had his tonsils removed. Nothing worked, and he tried your product. I am so thankful and relieved that you found the solution to his problem. We'll never know how much you changed his life!

—M.C., San Jose

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With *Frontiers* (centre) and *Goodly People* (background) in 1985, critics

Galbraith writ large

By Anthony Wilson-Smith

John Kenneth Galbraith has always seemed larger than life. One reason is his great height, which he revels in: at six feet, eight inches, he jokes, "I've all my life regarded everyone else as being unacceptably short." Then, there is the extraordinary range of his acquaintances: he has had friendships and dealings with almost every U.S. president since, and including, Franklin Delano Roosevelt, as well as scores of other world leaders.

Most of all, there are his achievements along with teaching economics at Harvard University and advising presidents; he is the author of 31 books, ranging from economic treatises and sociological analyses to novels. Although his neo-liberal views are largely out of fashion, some of his books, ranging from *The Affluent Society* in 1958 to the 1992 polemic *The Culture of Contentment*, are considered classics. At 90, he keeps an office at Harvard, and churns out essays on issues that move him (page 40).

Small wonder, then, that a Harvard dean once dubbed

Galbraith the famed university's "most famous professor"—and that Canadians cherish his link with a man who has been an American citizen since 1937. Galbraith, born in Iowa Station in southern Ontario, attracts adjectives and attention wherever he goes. Now, there is cause to tribute to Galbraith, *Between Friends: Perspectives on John Kenneth Galbraith*, a tribute written about him by a select group of friends, and *News-Dropping: Five FDR On*, a slim but well-rounded portrait by Galbraith of prominent people he has known.

News-Dropping is a kind of *Greatest Hits* package. Galbraith wrote about his past more comprehensively in his 1981 memoir, *A Life in Our Times*—but then, he was only 72 at the time. He once said that "originality is something that is easily overgrown, especially by authors contemplating their own work." That said, *News-Dropping* reprises some anecdotes and impressions from the 1981 book handled together with new ones in breezy, snappy form. Galbraith, a born raconteur, pulls few punches, even when writing about people he admires—and even more so about those he decries. The characters range

from his hero, Roosevelt, to John F. Kennedy, whom he met at Harvard in the late 1930s. They also include Ronald Reagan, whom Galbraith knew when he was an actor and liberal, and Nazi architect Albert Speer, whom Galbraith, a sometime director of the U.S. Strategic Bombing Survey, interrogated after the Second World War to determine what effect the Allied bombing raid had on the Reich. Throughout, Galbraith brings a keen eye, wit, and willingness to mock himself. He recalls Adlai Stevenson calling him before a vice-presidential debate against Richard Nixon: "Ken, I want you to write the speeches against Nixon. You don't have this tendency to be fair."

For Canadians, one bonus in *News-Dropping* is feed portraits of Lester Pearson and Pierre Trudeau. As well, it's clear that despite his long absence, Galbraith understands Canadian politics and the country's longest-running obsession all too well. The Quebec issue, as it is called, is an indispensable topic for Canadian conversation," he writes. "If all else fails, it can be taken up with the comforting knowledge that nothing new will be said." That comes from someone who can call on vivid memories of politics in the early days of the country. He recalls a speech he saw newly minted Liberal leader William Lyon Mackenzie King make at a rally in London, Ont., shortly after the death of his predecessor, Sir

Wilfrid Laurier, in 1919. Galbraith, noted in a position liberal boardhead, recalls how his father, speaking to farmers in an election campaign, divided a manner pie and "spoke profusely for speaking from the Tory platform."



At 90, the economist retains his capacity for outrage, dismissing players on both sides of the political divide

Like many seasoned performers, Galbraith can't resist going back to tried-and-true anecdotes and lines. So he tells almost word for word the story—contained in his 1981 book—of how he once complained to Kennedy that he didn't understand why a *New York Times* profile described him as arrogant. "I don't see why not," replied Kennedy. "Everyone else does." There is also a familiar feel to other stories cheerleading Kennedy's candour and sense of self-awareness, and to anecdotes about Lyndon Johnson's vulgarity.

But even when Galbraith has said these things before, it is a pleasure to read them again, for the chance to reflect on his unique view of the century. Galbraith met not only Kennedy at Harvard, but also older brother Joseph Jr. (killed in the Second World War), and younger brother Robert and Edward.

Initially, he was more taken with Joseph than John, who was "not strongly committed to academic work" or "much interested in the political scene." It was only when Kennedy began preparing his presidential run in the late 1950s that the friendship warmed. After declining his support for Kennedy, he was given a key campaign role because, one adviser told him, "we had no one on the whole convention staff who wasn't Catholic, Irish or Jewish." Galbraith, with his Boston Canadian roots, became a symbol of ethnic diversity. Later, he was both policy adviser and close friend to Kennedy and his wife, Jacqueline.

Galbraith retains his capacity for outrage, dissecting players on both sides of the American political divide in a few sharp turns of phrase. Reagan could be called a liberal, he writes, "when his screen career diminished and he began giving well-paid lectures" praising free enterprise. He is no kinder to Bill Clinton. Galbraith recalls hearing about the Monica Lewinsky affair while in hospital with pneumonia, and reported he was not, indeed, in a mental institution, where he would "have had a stronger sense of players on both sides of the American political divide."

With such an acid-tipped pen, it's wonder Galbraith has friends left in high places. But he does, and some—ranging from former Clinton cabinet

member Robert Reich to former French prime minister Michel Rocard to *Washington Post* chairman Katherine Graham—pay tribute to him in the elegant *Between Friends*. Canadian Galbraith admirers will particularly enjoy a chapter by Harvard professor Richard Packer that analyzes how Galbraith's small-town Ontario mom helped shape his view of the world.

In fact, there is little doubt that happened—even in the classically Canadian antithesis Galbraith shows towards the end of his book. In his memoirs, Galbraith described the area he grew up in as "desert of topography, ethnic or historical interest." On becoming an American in 1937, he wrote: "No one has done so much to so small a sense of exasperation, so slight a feeling of outrage." But he has remained to Canada regularly over the years, a one of the ranking few of Robertson Davies' writings, and wrote in 1964 "I never understood why one's affections must be confined, as once with women, to a single country." Someone who knows that large, after all, can easily straddle borders. ■

Words of wit and wisdom

As a writer and public speaker, John Kenneth Galbraith has always been renowned for his ability to turn a pithy one-liner. Here are five of his most famous:

Under capitalism, men exploit men. Under communism, it's just the opposite.

Nothing is as admirable in politics as a short memory.

If all else fails, immortality can always be secured by spectacular error.

It is almost as important to know what is not true as to know what is.

One of the greatest pieces of economic wisdom is to know what you do not know.

A liberal's debt to Canadians

Although John Kenneth Galbraith has been a U.S. citizen since 1937, he keeps a clear watch on—and revisits his admiration for—the country of his birth. He wrote the following exclusively for Maclean's:

No subject, Quebec of course apart, is more discussed in Canada, and with recurrent periods of silence also in the United States, than relations between the two neighbours. One matter, however, is neglected, even ignored: that is the debt that Americans themselves, whom I rightly regard as the responsible and compassionate part of the American polity, owe to Canada—to the Canadian litterateur on a wide range of international and social issues. As a sometime Canadian with continuing associations north of the border, I could be more aware of this than others. But one has only so one the leading examples to make the case.

Thus, in foreign policy there is the consistent Canadian support of the United Nations, including, as compared with Washington, the far from unimportant matter of paying the dues. Canada also led the United States in recognizing the inevitability of China—Washington delayed for no known reason.

Canada long ago supported itself from our medieval policy on Castro and Cuba. Again, a welcome precedent, even though Fidel still causes trouble. There was Canadian leadership in land mines, for which not only liberals, but all Americans of good sense were—and continue to be—grateful. Canada has made good and welcome example in the matter of nuclear weapons and the threat of nuclear extinction. Canada did go along in the 1950s with that insane enterprise of an early warning system in the Arctic. This one trait, it is now regarded as an aberration.

Most of all, far American liberals there was the Canadian/Prussian position on Vietnam. How was the greatest, most cordial, best participant the closest—misadventure in modern foreign and military policy. Those of us who were politically opposed were deeply grateful for the sensible Canadian policy and even that Canada served as shelter for those who, not surprisingly, did not choose to go. Canada today has far better control of its military establishment, keeps it at a far more sensible size and cost, than does the United States. Again, a notable example.

So much for foreign and military policy. The case continues. We rejoice in much or more in the Canadian model on domestic social issues. The principal practice, mentioned every

week in Washington and elsewhere, is, of course, health care, now known to all knowledgeable citizens of the Republic as Canadian single-payer medical care. This is known also to have its problems, but the Canadian design is far ahead of our incomprehensible hodgepodge.

The much-discussed Ontario regression notwithstanding, Canada has a generally stronger commitment to the colonial and compassionate more than the west. Toronto is not perfect, but no part of it is quite so unfriendly and so referred to as the South Bronx or the Chicago West Side. Canada has shown that life in the modern large city can be pleasant.

Then there is the matter of sex. How Canada too has problems, we have read of the sexual aggression in the Canadian Armed Forces and the resulting press and public response. But this has been more averted, has given to journalists and

Americans of good sense, says Galbraith, are grateful for Canada's role on land mines

newsmen engagement, than the Mexican disgrace. That was truly a wonderful opportunity for these politicians, journalists and television commentators who, being unqualified on any serious matter, made the wonderful discovery that they had in equal suit on sex. Perhaps, along with criticism, some compassion for those so recently disabled is called for. The Canadian experience, if not perfect, was clearly better.

I end on a slightly outrageous note. As a lifelong Democrat of the liberal faith, I naturally view conservative Republicans with distrust—and especially our Righteous Right. The latter are damaging to both religion and the general well-being. Many Canadians in the past have had the same reaction to traditional conservatism—to the Conservative party. A few years back, they all abolished the latter in the House of Commons. Let us, my American friends, say, be our best. I was more moderate. I accept the two-party system. Some Republicans, notably Republicans from Maine and Vermont, I like. There are also Republican conservatives in the Congress I would keep for political diversity and enlightenment and in matters poorer. Still, the Canadian house-clearing was impressive. ■



Books

Look who's paranoid now

Nonfiction titles bring conspiracy theories in from the cold

Paranoia means having all the facts

—William S. Burroughs

Two-thirds of Americans believe their government is hiding evidence of a 1947 UFO crash near Roswell, N.M. Millions more around the world lend credence to claims that Diana, Princess of Wales, was murdered. Even U.S. First Lady Hillary Clinton feels free to denounce "a very tight-wired conspiracy" out to get her husband. Paranoia, once the domain of the lunatic fringe, has clearly gone mainstream. And now four new books, including two serious academic works, examine how conspiracy theories have infiltrated daily life.

The most original of the four is *Suspense Motel: The Trisomph of Paranoid vs. Everyday Life* (Macfarlane, Wiley & Ros). Written by his Dowdington, a historian at the University of Prince Edward Island, *Suspense Motel* radically re-examines the usual meaning of the term. Paranoid belief gives a nod to the familiar territory of forensic detective fiction—whether of the CIA, alien visitors or Satanic—society shape history. But most of his book is a search on what is commonly called political correctness, university speech codes, repressed memory syndrome and the like. For the author, every self-described North American victim group indulges in the language of paranoia—and, inevitably, falls into its trap. When some University of British Columbia graduate engineering students accused their professor of racism, and then warned "the first symptoms of racism is death," they were engaging in classic closed-loop paranoid thinking. There is no room for dialogue, for a solution based on compromise, in a situation so defined.

Suspense Motel is a valuable book, well-written from a core of moral outrage. If it has a fault, it is that Dowdington only gradually acknowledges that governments and other institutions are often just making what they say. Every scandal from Watergate to Monica Lewinsky in the United States, from RCMP dirty tricks to tainted blood in Canada, has been deepened by official obfuscation and outright lies. Governments have earned a national level of suspicion.

Or even a lack of derisive laughter. Canadian and actor Richard Beland mocks everyone in his satirical hilarious *UFOs, JFK and Elton* (Ballantine Books). But he survives his most virulent comments for the government side of things, especially for the Warren Commission report on the 1963 assassination of John F. Kennedy. Beland's indelicate remarks range on other topics, whether alien abductions or the truth of



Kennedy motorcade in Dallas (above); scene from The X-Files (below left); alien monoliths at UFO exhibit; nothing can be accepted for what it purports to be



X-File scripts, make it impossible to tell what he actually believes about them. But no matter his finest contribution to the large window he opens on a paranoid mind—his own.

A more subtle guide to the conspiracy current story is Denver writer Mick Fester's *Conspiracy Theories* (University of Minnesota Press). He provides a fine overview of the basic thinking patterns common to the doctrine. Nothing can be accepted for what it purports to be, everything is linked behind the scenes. When George Bush—former CIA boss and Yale Skull and Bones man—urged the phrase "New World Order" during the Gulf War, he could not, for the paranoid, have made more clear his plans to crush American liberalism.

Science-fiction novelist Mick Farren—paranoids will immediately note the uncanny resemblance of his name to Fester's—provides a useful A-Z guide in *Conspiracy, Lies, and Hidden Agendas* (Bantam Books). A compendium of every strange fact or theory the author has encountered, it neatly associates such compromised materials as Area 51, the Nevada site where UFOs are supposedly based. The most noteworthy aspect of Farren's book, however, is its basic normality. Just another guide to the terminology of just another subculture. The triumph of paranoia, indeed. Probably someone, somewhere, wrote it that way.

Brian Bixman



The horror and the humor

Four new movies—two for grown-ups, two for kids—show bigger is not better

Three film students set off to spend an October weekend documenting the legend of "The Blair Witch," a 200-year-old spirit reputed to haunt Maryland's Black Hills Forest. They never return. Later, their footage is discovered and pieced together; a video diary that serves as their last will and testament. But even though a mock documentary is hardly new, first-time co-directors Daniel Myrick and Eduardo Sanchez have put a fresh spin on it—making *The Blair Witch Project* one of the most frightening films in recent memory.

One of its great strengths is that it blends the turgid, bloodthirsty formalism of Alfred Hitchcock's movies, in this spring from an unseen narrator. The audience sees events unfold in real-time through the victims' eyes. A cast of unknowns (none of whom are on Fox TV's *Party of Five*) play the student film crew: director and host (Heather Donahue), soundman (Michael Williams) and cameraman (Joshua Leonard). Armed with just a sketchy understanding of the plot, they carpentered out for eight days with minimal food and shelter, rarely coming out of their tents. The scares, which were also meant to operate video cameras, shot the movie's footage.

The film's creative team shadowed the case to psychologically torment the cast. The actors then filmed their assigned responses to eerie noises or being wan-

dered. Producer Gregg Hale says they hoped to wear down the actors' "insulation against fear." The movie's final scene demonstrates the success of this unusual approach—that sounds like real fear in the actors' screams. Like a relentless nightmare, *The Blair Witch Project* claws its way into its audience, offering no release until the final credits.

The Haunting, in contrast, is a classic Hollywood horror flick. It stars big-name actors Liam Neeson and Catherine Zeta-Jones, and an even bigger array of special effects. But at \$115 million—compared with *Blair Witch*'s paltry \$38,000 (6)—*The Haunting* proves that the decision to use money instead of the mind can be a deadly error.

Billed as a psychological thriller, *The Haunting* turns out well enough. A professor (Neeson) researching fear assembles a group of insomniacs (Zeta-Jones, Owen Wilson and Lieke Martens) to spend a week in an allegedly haunted 130-year-old mansion. Visu-

ally, it is a Gothic treat, and the movie's first half-hour contains some genuinely chilling moments—children's ghosts whispering in the darkness and statues coming to life.

The movie soon reserves all course. And by the end, a degeneration into the standard special-effects orgy, with Taylor mounting schlocky Hollywood action-movie clichés like "Pumpkin's even, pumpkin. You're going to hell!" One is left enjoying the old genre—at least hell sounds interesting.

Andrew Clark

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Gross, unsurprisingly, turns out to be an alien, something he learns when his long-lost family begins to communicate with him, via his alphabet cereal. Afterwards, he is saved by a paranoid

and spectacular of Genoa's family lands, and breaks into Karl & the Gang's Gobiolous, it is a perfectly sharp conclusion to the year's best sci-fi film.

It's far cry from the Mappes to Inspector Gadget, based on the 1940s-era cartoon series about a dithering but highly accomplished cop, itself a direct descendant of a top-dressed 1960s film and TV series. Maybe it's the sheer distance from its creative wellspring, but the thing that makes for a profoundly magical viewing experience. Even the filmmakers seemed to have been bored. For a Disney production, it's marred by some strange discontinuities—first an evil robot destroys much of the city with fire and explosions, no subsequent scene shows any damage. But technical glitches are nothing compared with the almost complete absence of plot, humor and charm, as the half-man, half-machine hero (Matthew Broderick) and his Bitch (Joely Fisher), his cartoonish interest, plot through their paces.

What Gadget does here is, well, gads, glorious gads. Small bugs are going to love this film. The inspector's neck can turn 360 degrees or spiral up three meters; his legs extend even further, machine-gun the size of cannon pop out of his dunders and kick-copter blades from his butt. Best of all is his Swiss Army hand, with fingers that turn into a lightbulb, toothbrush, lock-pick or radiophone. And there is also a single tiny gem of a scene stolen after the movie proper—on one of those outside clips increasingly scattered through film credits Villanova's benchman Sikes (Michael G. Hagerty), who has gone straight, addresses a meeting of Villanova Jansons. Among the audience of fellow offenders are jaws, the most-mouthed James Bond character, Tom of Lone Ranger fame, and Kato from *The Green Hornet*. That's as good as it gets. Go, go Gadget. Mean.

Brian Barham

Brian D. Johnson is an actor.



Broderick as Gadget; Taylor and Neeson (opposite); origin of special effects

Of course, not everyone wants to be scared senseless. The following reviews are for those 12 and under—or at their parents—who would rather have some monumental fun.

One of the many charms of the venerable Mappes franchise is that the curiously squabbling puppets are blissfully unaware that there is anything odd about them. They may live together in one bedlamite boondoggle house, but they work and interact with humans—some of them are humans. They even carry on their own interspecies romance. Just regular folks. That makes *Mappes*

government agent, the wonderfully named K. Edgar Stager (Jeffrey Tambor). Naturally, the other Mappes have to rescue Genoa and bring him safely to his rendezvous with destiny.

By virtue of its well-crafted plot, *Mappes from Space* stands out among kids' films. But as child-friendly messages about loyalty and belonging are also seamlessly mixed with first-line adult humor. There are nods to many major science-fiction movies—highlighted by a *Close Encounters* of the Third Kind mashed potato bar of Genoa—as well as a pulsating sound track of '70s-era funk. When an in-

Courage and the art of war



Canadian Orville Fisher was the only Allied war artist to land in Normandy on D-Day

Orville Fisher was already an accomplished professional artist when the Second World War broke out in 1939. But when he joined the army the following year, it was as a private in the Royal Canadian Engineers. The army soon recognized what it had, transferred Fisher to officer training and made him an official war artist. On June 6th, 1944, he was the only Allied war artist to take part in the D-Day invasion of Normandy, coming ashore with the 3rd Canadian Infantry. To Fisher, who died last week at 88 at his home in

Chelmsford from above. The Liberation, Holland; D-Day, The Assault; The Scheldt Crossing; a shore patrol and a charcoal pencil

Langley B.C., after a series of strokes, his war work was among his best.

Born in Vancouver in 1911, Fisher studied at that city's School of Art and Group of Seven painter Fred Varley. His early post-war work was painting murals with two other artists for the B.C. pavilion at the 1954 San Francisco World's Fair, depicting scenes from the province's economic life. The giant murals, which required him to work 15 hours a day for five months, were a far cry from the quick, vivid sketches made under fire on a Normandy beach.

Bubbling offshore, watching Canadian troops struggle in water already stained with blood, Fisher realized that the 50 kg of art supplies in his backpack would drown him. So he threw them overboard and landed with only a 15-by-13-cm sketch pad of waterproof paper strapped to his wrist and a charcoal pencil. On the beach, in the midst of the carnage, Fisher made a series of sketches recording the successful landing. He stayed with the 3rd Infantry until November, when the division reached Nijmegen in the Netherlands. In all, Fisher sketched 246 images that he later turned into powerful and evocative oil paintings or watercolours. Now in the Canadian War Museum, they are a testimony to another kind of military courage.

Brian Buchanan



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Health Monitor

Defending Montreux

The controversial clinic's founder disputes charges

Wiping away tears,

the founder of the controversial Montreux clinic in Victoria told a hearing that could shut down the treatment centre that her philosophy was based on building trust with eating-disorder patients so "we can begin the slow road back to logic and reason." Appearing for the first time before the license-review hearing, Peggy-Claude-Pierre denied allegations that the five-year-old clinic, which has caused international media uproar for its success in treating eating disorders, violated provincial health regulations. She also talked about helping her own two daughters overcome anorexia. "I don't see myself as a hero," she said. "It's an embarrassing and uncomfortable position to be in." Earlier in the six weeks of hearings, former patients and their parents praised Claude-Pierre, who runs the clinic with her husband, David Harris, for saving them from anorexia and bulimia. Licensing officials at the Victoria health region want to close Montreux for violating 28 regulations.

Cross-examining Claude-Pierre, lawyer Greg McDonald said the hearings were not about her treatment philosophy—the question was whether the clinic met "maximum standards of health and safety." She defended the clinic's treatment of David Bruce, who was allegedly forced into entering the clinic at the age of 3. Claude-Pierre testified that the boy was eating only a few pieces of breakfast cereal a day when he first visited the clinic. She decided he should live on Montreux premises with his mother nearby. "Anything we did with David was with



Claude-Pierre (right) with lawyer building trust

his mother's direction." In earlier testimony, a Montreux official admitted staff misled health officials who questioned them about the boy's treatment.

Deadly bugs

Over-causing bacteria also appear to play a role in triggering a type of stomach cancer—and the cancer can often be eradicated by treatment with antibiotics, according to U.S. researchers. Scientists at the University of Texas in Houston said this in a study of 34 patients with a

relatively rare form of stomach cancer called gastric lymphoma. 20 of the patients were also found to be infected with *H. pylori*, a bacterium that causes ulcers. After treatment with antibiotics, the cancer in half the patients who tested positive for *H. pylori* went into remission. The findings were published in the journal *Annals of Internal Medicine*. Concluding that the lymphoma "is dependent on *H. pylori* for growth," the researchers said there is a growing belief that infectious play a role in the development of some types of cancer.

A drug reborn

A little-used, 30-year-old drug has shown dramatic results in a clinical trial, reducing the death rate among patients suffering from congestive heart failure by nearly a third. Doctors who conducted the study involving more than 1,600 people in 15 countries, including Canada, recommended that the drug Aldactone become a standard treatment for congestive heart failure, a condition that results when the heart muscle is seriously weakened. Aldactone, manufactured by the Skokie, IL-based pharmaceutical firm Scieco, was once widely used to treat heart failure and high blood pressure, but was displaced by newer treatments. Results of the study are to be published in the Sept. 2 issue of the *New England Journal of Medicine*, but the journal said it made the findings public earlier because of their medical importance.

A PCB-breast cancer link?

A Queen's University researcher says she has found evidence that for the first time links some types of the banned chemicals known as PCBs (polychlorinated biphenyls) with breast cancer. Epidemiologist Kristen Aronson said she found concentrations of three types of PCBs in tissue from women who had the disease. She added that further studies were needed to confirm that the chemicals—long suspected of being carcinogenic—play a role in breast cancer. Once widely used in electrical equipment and insulators, PCBs were banned in the mid-1970s after they were found to cause liver damage and other problems in humans. Aronson planned to present her findings, which have yet to be published in a peer-reviewed medical journal, at this week's World Conference on Breast Cancer in Ottawa.

Return of a major player

Juli Inkster, a favourite at the du Maurier Classic, balances family life and dominating golf

By James Deacon

It was a moment in the 72nd hole of the McDonald's LPGA Championship that, for anyone watching, captured both the talent and personality of Juli Inkster. On the final green at the DuPont Country Club in Wilmington, Del., the slender Californian had a comfortable three-shot lead and a chance to win a title that would complete a career grand slam—winning in each of the LPGA Tour's major championships. Knowing that, she was still able to stand calmly over the putt and make a smooth stroke. And as she walked the ball was going to fall into the hole five feet further back, her expression transformed from concentration and determination to joy and wonder. She cheered. She laughed. She hugged and kissed her kids. And why not? In 39, she is enjoying what may be the best season of her already remarkable career. "I'm having fun," she told *Maclean's* last week. "Everything I do from now on is just icing on the cake."

Ordinarily, the annual du Maurier Classic being contested this week near Calgary showcases home-country pros such as Dawn Coe-Jones, Gail Graham, Lorie Kane, Anne-Jane Bathurst and Nancy Hervey. But Inkster commands much of the pre-tournament attention. The victory in Wilmington made history—she is one of only four women and five men in history who have won career slams on their respective golf tours. And if Inkster's list continues in Atlanta at the last of the 1999 grand slam events, she would be the first LPGA player to win three majors in one season since Pat Bradley did it in 1986. The last



Inkster watching her last putt drop at the LPGA Championship. The having fun!

man to do so was Ben Hogan in 1953.

But as much as colleagues admire her ability, they say they are more inspired by Inkster's persona. She is a proud but modest, upbeat and supportive of others, and she is widely admired for remaining competitive while raising two

daughters with husband Brian Inkster, a club professional. "She's awesome," says Graham, of Kelowna, B.C. "She is an inspiration to all of us out here."

Inkster's marvellous run has helped attract first attention to an overlooked careerist golfer. She was the first person to



Knew nothing about golf until she won the Tour's first player auction as LPGA victory

win three straight U.S. Amateur titles (1980-1982), yet she did not get a fraction of the attention given Tiger Woods when he became the first man to do the same (1994-1996). Going into the du Maurier, the 17-year LPGA veteran has 21 professional wins, and this is the second season in which she has collected two major titles—she won both the Dutch Shore and the Classic in 1984.

Still, there were few trophies to hint at the years immediately after the birth of her children—Hayley in 1990 and Chop in 1994. At one point, she went five years between victories. The seasons are plain travelling to new cities every week with uniform and mudholes, coping with their colds and crankiness, coping with little practice time and even less sleep. Then there was the self-doubt. "It was more of a struggle mentally wondering if I was doing the right thing having them out there with me," she says, adding: "I was kind of floundering, trying to be a good mom and good golfer and not feeling that I was doing well at either of them."

Inkster's dominance owes much to the guidance of her all-around player. She has spent four years with renowned teaching pro Mike McGee in Colorado, improving every aspect of her game. But she credits her recent success in large part to feeling better about her domestic life. She says she has been strongly supported by her dad, who is her husband, and when it became clear as they grew older that her daughters were bright, happy, well-adjusted kids, it eased worries that she was doing what was best for her family. "My kids have the best time out there because the players make it so much fun for them," she said from her home in Los Altos, near San Francisco. "Meg Maloney, Lorie Kane, Dawn Coe-Jones—they'll do anything for my kids."

Those same players say Inkster is a generous friend who gives as good as she gets. "We were paired in the final round of the U.S. Open," recalls Kane, the Prince Edward Islander who last week ranked fifth on 1999 money winnings. "I had a terrible start and was really struggling, and all the while, Juli's encouraging me, urging me on." To maintain balance in her professional and family lives, Inkster has followed certain rules: she is never away from the kids for more than a week, or away from Brian for more than two weeks, even when it means turning down a slew of lucrative corporate outings. That said, life in the Inkster household has been delightfully hectic since completing her slam. "It's overwhelming," Brian Inkster said of all the attention. "Things are not as level as they usually are, but they've been great, too."

Follow players, though also supportive, are also planning to step out of Inkster's way at the Classic—the purse is a whopping \$1.8 million, with \$270,000 going to the victor. They will all be seeded by the course in Pridale, which men and folk dramatically over undulating football remain 45 minutes southwest of downtown Calgary. Chief among the contenders are Australian Kerrie Weather, a five-time winner this season, Sweden's Annika Sorenstam, American Malon and South Korean star Se Ri Pak. Then there's Kane, who last week blew away the field with a 10-shot victory at the Whistler CPGA Women's Championship on Thornhill. One of the off-the-radar Islander is currently one of the hottest golfers on tour, but two recent losses in playoffs are threatening to remind her that she is perhaps the Tour's best player without an LPGA victory. She would like nothing more than to change that status at the tournament she calls her most about—the Classic. "To end the year," she has learned from her near misses. "This," she said, tapping a finger to her head, "is getting better. I've always said I can win, but now I know I can."

She may have to beat Inkster to do that. Though true, Inkster says she has no fear her son for competition. "I have to pace myself, but I am not giving up on the year," she says. Does she have another map in her? "I am playing well," she says, and I think I can win again." There are few who would doubt her. ☐

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